Annual Report 2006

Building the future is our tradition

Contents

Key Data

in EUR million		2006	Change	2005	2004
Profit and loss account					
Gross revenues		1,921.0	+5.1%	1,828.2	1,533.1
Production output		2,322.7	+2.9%	2,258.0	1,854.1
Of which domestic		1,632.4	+5.1%	1,553.5	1,321.4
Of which abroad		690.3	−2.0%	704.5	532.7
Foreign share of total production output (in %)		29.7	−1.5 PP	31.2	28.7
EBIT		47.7	−3.2%	49.3	43.9
EBT		35.3	+9.0%	32.4	24.3
Consolidated profits		26.4	+4.8%	25.2	20.5
Balance sheet					
Balance sheet total		1,622.0	+6.2%	1,527.6	1,449.8
Assets	(long-term)	752.8	+6.5%	706.8	722.1
	(short-term)	869.2	+5.9%	820.8	727.7
Payables	(long-term)	572.6	+12.7%	507.9	278.4
	(short-term)	770.4	+0.2%	768.7	949.6
Equity capital (incl. minority shares)		279.0	+ 11.2%	251.0	221.8
Equity capital as % of total capital		17.2	+0.8 PP	16.4	15.3
Cash flow and investment					
Cash flow from revenues		63.7	−17.3%	77.0	52.4
Cash flow from operating activities		14.9	−76.8%	64.2	39.5
Cash flow from investing activities		−51.6		−4.3	−40.6
Cash flow from financing activities		2.5		−41.9	−9.3
Investments		83.2	+24.7%	66.7	142.6
Depreciation		41.5	−13.2%	47.8	51.3
Operating data					
Order receipts		2,870.9	+29.3%	2,219.8	1,994.8
Order balance at year end		2,013.4	+37.4%	1,465.3	1,503.4
Average staffing level		10,615	+3.7%	10,241	9,406
Of which abroad (in %)		21.3	−0.2 PP	21.5	22.9
Value creation					
EBIT margin (in %)		2.5	−0.2 PP	2.7	2.9
ROCE (in %)		8.4	−1.5 PP	9.9	7.2
ROE (in %)		11.7	−1.1 PP	12.8	11.6

Facts and Figures

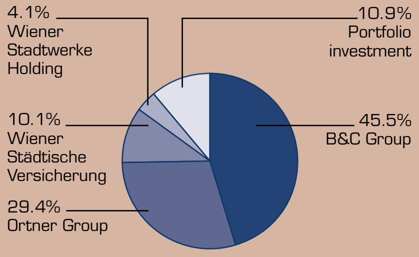
	2006	Change	2005	2004
Key data concerning shares				
PE ratio (at end of year)				
Ordinary share	9.9	– 1.0%	10.0	9.1
Preference share	10.0	+ 11.1%	9.0	7.5
Earnings per share (in EUR)	13.0	+ 4.7%	12.4	10.2
Dividend per share	1.7 [1)]		1.7	1.7
Dividend yield in % (as of 31.12.)				
Ordinary share	1.4		1.4	1.9
Preference share	1.3	– 0.2 PP	1.5	2.3
Payout ratio (as % of annual profit))	13.4	– 0.6 PP	14.0	17.1
Market capitalisation (at end of year)				
Ordinary share	171.7	+ 3.2%	166.4	124.8
Preference share	83.5	+ 15.7%	72.2	48.8
Cash earnings/share	31.34	– 17.2%	37.86	25.77

[1)] Proposal to annual shareholders' meeting

in EUR	Preference share	Ordinary share
Key data concerning stock market developments for 2006		
Rate at end of 2005 (29.12.)	112.5	124.0
Rate at end of 2006 (28.12.)	130.0	128.0
High for 2006	(on 13.12.) 132.0	(on 15.02.) 135.0
Low for 2006	(on 08.02.) 100.0	(on 20.10.) 109.3
Market capitalisation at end of 2006	83.5	171.7
Listing on Vienna Stock Exchange	Official Trading standard market continuous	Official Trading standard market auction
ISIN-Codes	AT 000 060 963 1	AT 000 060 960 7
Security code	POV	POS

		Volume	Interest	Coupon day	Redemption
PORR Corporate Bonds					
Corporate Bond 2005		EUR 100 million	4.5% p.a.	29.06.	29.06.2010
Corporate Bond 2006	– Austria	EUR 60 million	5.625% p.a.	29.06. & 29.12.	29.06.2011
Corporate Bond 2006 FRN	– Czech Republic	CZK 200 million	variable	29.06. & 29.12.	29.06.2011

PORR shareholder structure (pie chart showing ordinary shares*)



* Note: Only a very small number of preference shares are deposited in respect of annual shareholders' meetings; for this reason, no reliable statements can be made concerning the shareholder structure for this share category.

Investor Relations

Allgemeine Baugesellschaft –
A. Porr Aktiengesellschaft
Konzernmanagement
A-1103 Vienna, Absberggasse 47
rolf.petersen@porr.at

Positioning

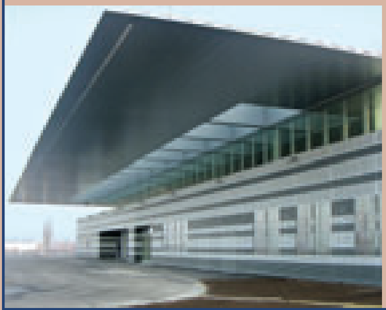
To build is to change. Today, we are building the environment in which we and our children will live – not just tomorrow but well into the future. Since 1869, we have been aware of this responsibility. Project development and building construction have been amongst our core skills for more than 135 years. Throughout that time, our strategy has never varied: in all of the actions and decisions we take, the PORR Group is committed to quality and to the long-term enhancement of earnings and value. With solid foundations and meticulous planning, we will continue to aim high. And we have this message for our employees, customers and shareholders:

Building the future is our tradition.

Title page:
Inigo Jones Bridge, Wales
Wolfsgraben Valley Crossing, Lower Austria

2006 Milestones

Construction of the three-storey VIP-GAC building for Vienna Airport. Official commissioning coincides with Austria's assumption of the EU presidency in January 2006.



Issuance of two simultaneous corporate bonds in Austria and the Czech Republic (term of five years; redemption on 29th June 2011 at nominal value). Owing to strong demand, the issuance volume of the euro bond was raised from its original level of EUR 50 million to EUR 60 million; even so, the allocation needed to be limited.

January February March April May June

Contracted to build a residential complex in connection with the BWS Favoriten Landgutgasse project. Construction of 240 apartments and an underground garage with 242 parking spaces; plot size of 9,629 square metres.

Opening of a 58.6-kilometre section of the M6 between Budapest and Dunaújváros in Hungary on 11th June 2006 (organised as a PPP model; construction began in 2004, to run for a period of 20 months).

29th June 2006
Annual shareholders' meeting

Completion of a business, cultural and shopping complex in Wroclaw (Breslau) before the contractually agreed deadline.

Completion of the Nasenbach valley timed shifting bridge in the Erzgebirge mountains (length 282 metres, height 50 metres).

July August September October November December

Acquisition of pipeline engineering business area (with segments of overhead contact systems for long-distance transport and overhead line systems) from the VA TECH T&D Group in Austria and Germany (240 employees, turnover of around EUR 34 million in 2005) by a purchasing group made up of PORR, Androsch Privatstiftung and Dörflinger Privatstiftung.

Work began on the second tube of the Tauern tunnel. Commencement of tunnel driving work on the north and south portal.

Completion of the Zagreb Tower office/commercial building in Croatia, comprising a tower of around 80 metres, a nine-storey long section and an underground garage.

Highlights in figures

Record order receipts of around EUR 2.9 billion
Increase on 2005: +29.3 percent

Record order balance of around EUR 2.0 billion
Increase on 2005: +37.4 percent

Construction output up to approximately EUR 2.3 billion
Increase on 2005: +2.9 percent

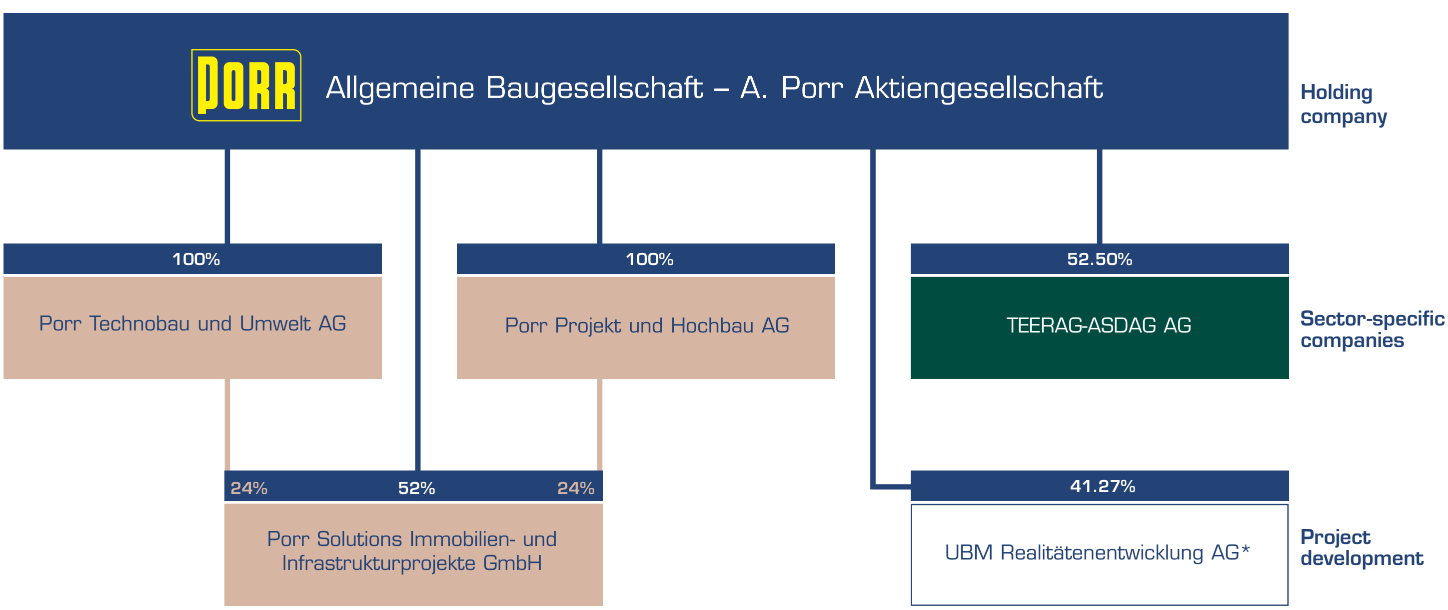
Gross revenues of around EUR 1.9 billion
Increase on 2005: +5.1 percent

EBT rises to EUR 35.3 million
Increase on 2005: +9.0 percent

Earnings per share: EUR 12.96
Dividend per share: EUR 1.74

Flexible organisational structure

Flexibility is a fundamental value of the PORR Group. The holding company has organised the expertise vertically in the three sector-specific companies. Horizontally, responsibility for customers cuts right across the segments, being at regional level. PORR SOLUTIONS incorporates all the companies that deal with the development of infrastructure, real property and energy projects. PORR SOLUTIONS should not be regarded as a segment on its own, but it acts as a kind of order generator for the other companies within the Group. This matrix structure enables it to respond to regional fluctuations as well as changes within the individual construction sectors, and it enables the very considerable growth potential that exists in central, eastern and south eastern Europe to be fully utilised despite the risk factors that are present.



As of 31.12.2006

*Minority share

PORR on the stock exchange

DEVELOPMENT OF INTERNATIONAL CAPITAL MARKETS

Share markets around the world performed strongly once again

During 2006, share markets around the world performed strongly once again as the fundamental optimism of 2005 carried into the first four months of the year. However, concerns over inflation and growth development caused by the rising prices of energy and raw materials led to tangible rate adjustments on international markets in the months of May and June. From the middle of the year onwards, confidence on share markets revived thanks to the positive trend in corporate profits, falling crude oil prices and the end of interest rate increases by the US Federal Reserve. As the environment remained generally favourable in the second half of 2006, the strong upward course of prices was further boosted by corporate takeovers. Many international stock markets consequently reported double-digit rate growth for the year as a whole.

With an increase of 21.7 percent, the leading ATX index continued to perform above the average level. However, following a phase of significant rate increases (which propelled the ATX through the 4,000-point barrier for the first time at the end of January en route to a new high of 4,344.35 points on 8th May 2006), the Vienna Stock Exchange underwent a significant adjustment, with the index temporarily falling by over 1,000 points. This price plunge was quickly surmounted thanks to generally sound economic data from Austria and the main markets of companies listed in Vienna, further steep increases in corporate earnings and the easing of concerns over global inflation and interest rates. A particularly strong fourth quarter, in which the ATX rose by 15.4 percent, ensured that the closing price for 2006 of 4,463.47 points was also a new record high.

Market capitalisation (domestic shares, including jouissance and participation shares in official trading, OTC market and third market) on the Vienna Stock Exchange has increased by 226 percent since 2003. The value of EUR 146.2 billion for the end of 2006 exceeded the comparable figure for 2005 by 37 percent. With market capitalisation of almost 50 percent in terms of Austrian gross domestic product (GDP), the Vienna Stock Exchange fared well in European comparisons.

PORR SHARES

Preference shares up 15.6 percent

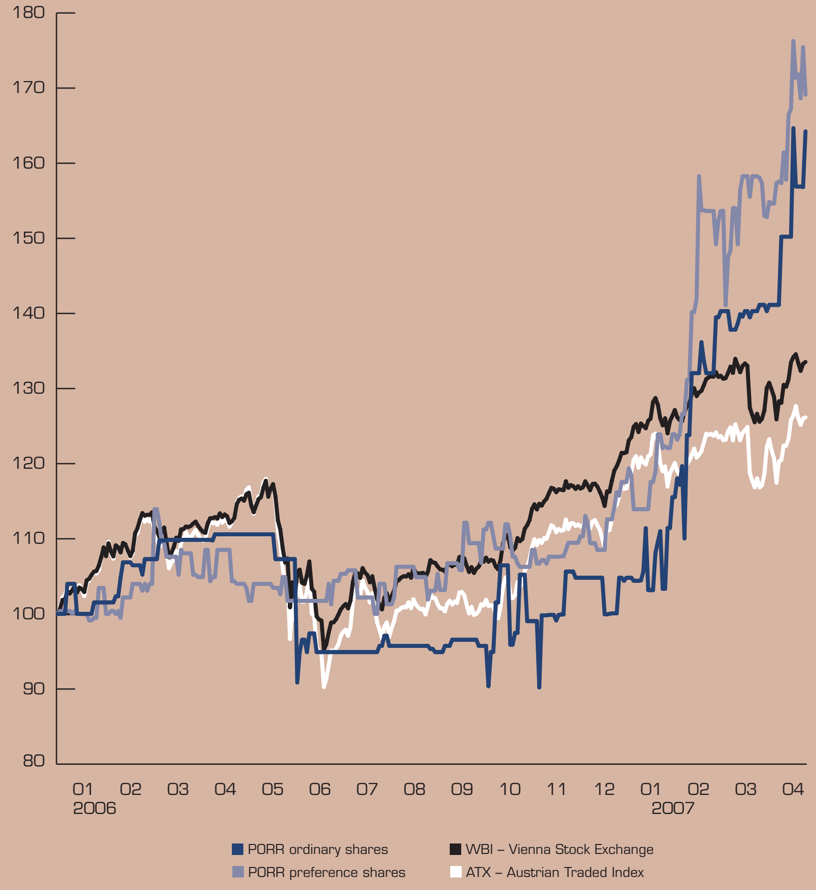
Shares in PORR, which are listed on the Vienna Stock Exchange, continued to progress well during the reporting year 2006, even if developments were less spectacular than those of the previous year. By the end of the year, the stock market price for ordinary shares had risen by 3.2 percent; the more widely dispersed preference shares had increased 15.6 percent by the same date. Owing to the low liquidity of ordinary shares, these have been traded on the standard market auction of the Vienna Stock Exchange rather than the standard market continuous since the start of the second quarter of 2006.

Stock market data

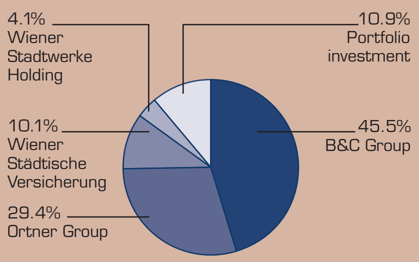
in EUR	2006 Ordinary	2006 Preference	2005 Ordinary	2005 Preference	2004 Ordinary	2004 Preference
Rate as of 31.12.	128	130	124	112.5	93.0	76.0
Highest rate	135	132	133.12	133	95,0	78,96
Lowest rate	109.3	100	94	70.51	85.5	60.0
Profit per share	12.96	12.96	12.44	12.44	10.19	10.19
Dividend per share[1]	1.74	1.74	1.74	1.74	1.74	1.74
Price/earnings ratio as of 31.12.[2]	9.9	10.0	10.0	9.0	9.1	7.5
Dividend yield as of 31.12. in %	1.4	1.3	1.4	1.5	1.9	2.3
Market capitalisation at end of year in million	171.7	83.5	166.4	72.2	124.8	48.8
Payout ratio in %[3]	13.4	13.4	14.0	14.0	17.1	17.1

[1] Proposal to annual shareholders' meeting
[2] Price/earnings ratio: rate as of 31.12./profit per share
[3] Payout ratio: Dividend per share/profit per share in %

Development of price of PORR shares from January 2006 to April 2007 (indexed on 01.01.2006)



PORR shareholder structure (pie chart showing ordinary shares*)



*Note: Only a very small number of preference shares are deposited in respect of annual shareholders' meetings; for this reason, no reliable statements can be made concerning the shareholder structure for this share category.

The rise in the price of the company's ordinary and preference shares also led to an increase in market capitalisation from EUR 238.6 million at the end of 2005 to EUR 255.2 million at the end of 2006.

Early in 2007, the price for PORR ordinary and preference shares jumped again to over EUR 200 per share, a level not reached for many years.

PORR CORPORATE BONDS IN 2006

Two bonds issued successfully

PORR simultaneously issued two new corporate bonds in the second quarter of 2006 (in Austria and the Czech Republic) with a view to maintaining the improvements in liquidity and ensuring finance for its expansion ambitions. Demand for the corporate bonds was so great that reductions in allotment were required despite the issue volume of the euro bond being raised. The total volumes amounted to EUR 60 million and CZK 200 million. The euro bond has a coupon rate of 5.625 percent; the interest rate for the floating rate notes issued in the Czech Republic was determined as the six-month PRIBOR plus 1.9 percent.

PORR CAPITAL SHARE CERTIFICATES

Despite low levels of trading, PORR capital share certificates achieved performance of 24.6 percent during reporting year 2006. The lowest price (EUR 82) was seen on 5th January 2006, with the highest price (EUR 105.99) recorded on 5th May 2006. The stock market price at the end of the year was EUR 101.

MEETING AUSTRIAN COMPLIANCE GUIDELINES

To prevent the misuse of insider information, 'issuer compliance regulations' produced by the financial market supervisory authority came into force on 1st April 2002. These regulations were revised in response to an amendment to the Stock Exchange Act in 2005.

PORR on the Vienna Stock Exchange

	ISIN-Codes	Number of shares quoted/nominals	First quoting
PORR ordinary shares	AT 000 060 960 7	1,341,750	08.04.1869
PORR preference shares	AT 000 060 963 1	642,000	03.11.1986
PORR capital share certificates	AT 000 060 966 4	49,800	22.10.1990
PORR bond 4.5% 05-10	AT 000 049 270 7	100,000,000.00 EUR	29.06.2005
PORR bond 5.625% 06-11	AT 000 0A0 19D6	60,000,000.00 EUR	29.06.2006
PORR bond CZK FRN 06-11	AT 000 0A0 19E4	200,000,000.00 CZK	29.06.2006

PORR enacted its own compliance guidelines in order to meet the requirements of the Stock Exchange Act and the compliance regulations. These guidelines, which came into effect in June 2005, regulate the exchange of information within the company and define measures to monitor all internal and external flows of information with a view to preventing their misuse. The aim is to make employees, executive bodies, consultants and other persons active on behalf of PORR aware of the legal prohibition of the abuse of insider information.

CORPORATE GOVERNANCE

So far, PORR has made no formal declaration committing itself to observance of the Austrian Corporate Governance Code. Despite this, however, the company complies with all mandatory regulations and most of the 'comply or explain' regulations.

INVESTOR RELATIONS

PORR is one of the oldest listed companies in Austria. We believe that this tradition reflects our commitment and duty to ensure open and regular communication. For all company-related information and to view our quarterly and annual reports, visit our web site www.porr.at. Please address any questions to Rolf Petersen (rolf.petersen@porr.at).

Financial calendar

Publication of annual financial report 2006	27.04.2007
Financial results press conference	27.04.2007
Publication of interim report on the 1st quarter	11.05.2007
127th annual shareholders' meeting at Absberggasse 47, 1103 Vienna at 1pm	24.05.2007
Ex-dividend trading on Vienna Stock Exchange	29.05.2007
Dividend payment day for fiscal year 2006	30.05.2007
Publication of semi-annual financial report	31.08.2007
Publication of interim report on the 3rd quarter	09.11.2007

Locations

The PORR market

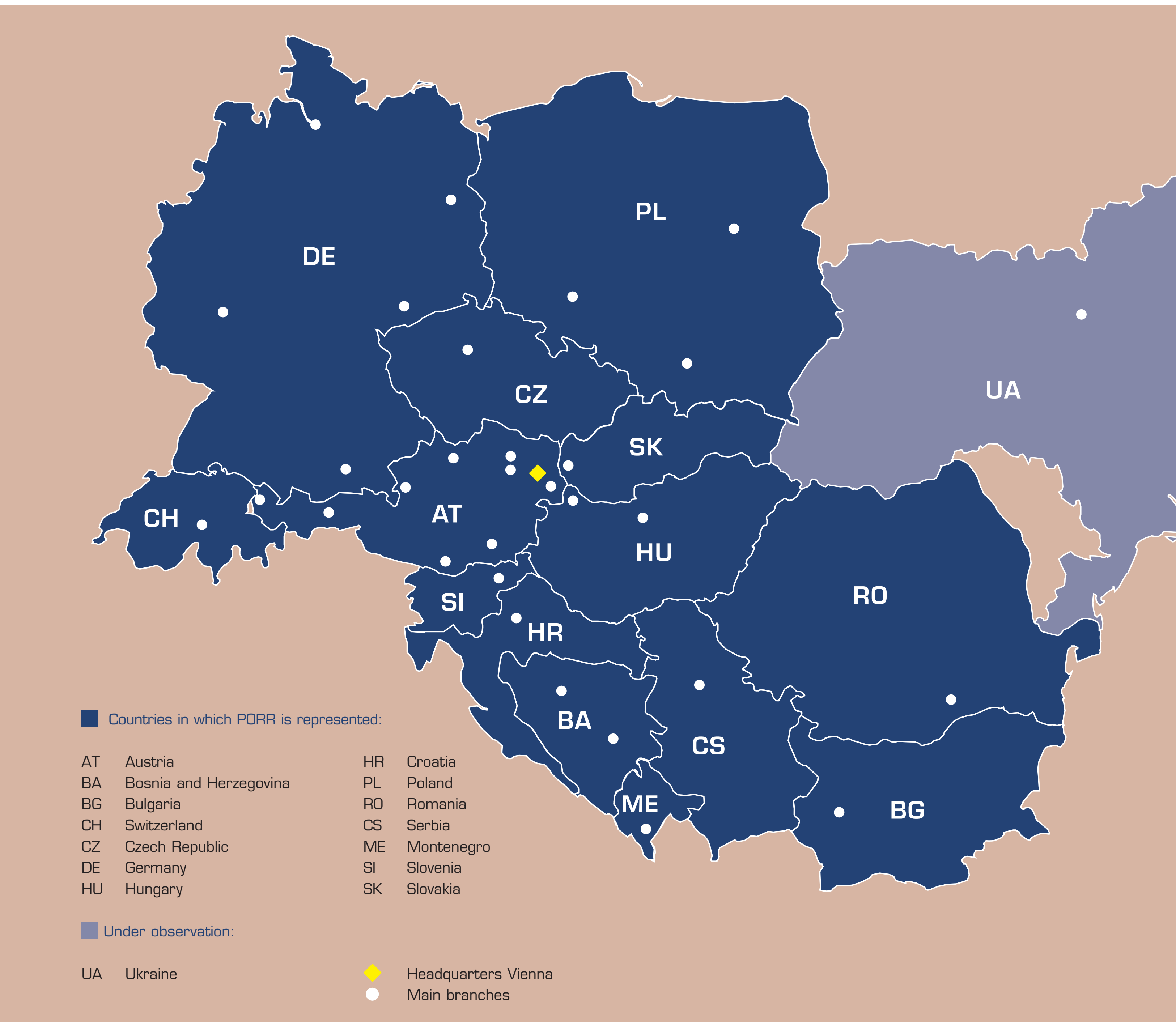
The PORR Group concentrates its activities on Austria, Germany, Switzerland and the countries of central, eastern and south eastern Europe. Inside the boundaries of this market region, which has around 200 million inhabitants, the company applies a consistent strategy of 'growth within concentric circles'. The table below highlights the massive growth potential of this region. GDP per head, for example (adjusted to account for purchasing power) amounts to between 50 and 70 percent of the Austrian level; real-terms growth rates exceed the highly satisfactory 3.1 percent by which the Austrian economy expanded in 2006 by 50 to 100 percent.

Country	GDP/head (in PPP EUR)	Population (in million)	Economic growth (real-terms GDP in %)	Production output (in EUR million)	Change in production output as against 2005	Order balance (in EUR million)
Austria	26,379	8.3	3.1*	1,632.4	+5.1%	1,256.8
Germany	23,930	82.4	2.7	135.4	–10.7%	185.8
Croatia	12,030	4.4	4.5*	31.1	+12.9%	35.5
Poland	12,640	38.1	5.2*	165.0	+59.9%	75.9
Switzerland	25,614	7.5	2.7	40.0	–5.2%	43.6
Slovakia	14,790	5.4	6.7*	8.8	–32.0%	60.7
Slovenia	20,690	2.0	4.8*	8.7	+422.6%	0.7
Czech Republic	18,700	10.3	6.0*	189.3	+14.7%	117.8
Hungary	15,570	10.1	3.9*	94.2	–45.3%	221,2
Group				**2,322.7**	**+2.9%**	**2,013.4**

*Forecast value

Sources: EUROSTAT, IMF, WIIW (all data relate to 2006)

Locations



Countries in which PORR is represented:

AT	Austria	HR	Croatia
BA	Bosnia and Herzegovina	PL	Poland
BG	Bulgaria	RO	Romania
CH	Switzerland	CS	Serbia
CZ	Czech Republic	ME	Montenegro
DE	Germany	SI	Slovenia
HU	Hungary	SK	Slovakia

Under observation:

UA Ukraine

Headquarters Vienna

Main branches

Country symbols in accordance with the inter-institutional rules for publications of the European Community

Corporate strategy

The Group strategy

PORR is a flexible multi-utility group specialising in construction and project development. The most effective interplay between these two areas of business activity guarantees the quality of our planning services.

For many years, the PORR Group has pursued a strategy founded on three core principles:

1. Entering high-yielding business areas with a view to raising the Group margin over the long term.
2. Achieving growth by broadening our product range, particularly in the fields of project development/implementation and construction-related services.
3. Expanding our market area, particularly in central, eastern and south eastern Europe.

Growth is generated through the company's own activity, with the main emphasis on the sustainable development of earnings. Non-operational risks are avoided wherever possible. The policy of 'selective growth within concentric circles' is intended to be largely organic; acquisitions are made only where these

a) augment our expertise or deliver new technologies
b) contribute to a long-term increase in earnings
c) occur in markets or sectors in which we are familiar with the risks
d) help to secure a supply of raw materials.

We aim to bring about controlled revenue growth by means of yield increases in our construction business, income from franchise/provider models that can be planned over the long term and consolidation of the capital basis.

Utilising growth opportunities in a positive market environment

The construction market in central, eastern and south eastern Europe is picking up pace rapidly. For a long period, investment in building fabric and infrastructure within the region stagnated at a low level. Now the high level of demand in these countries is being matched by private and public investment. Requirements are widespread, covering everything from building construction and transport/infrastructure projects to power stations. The high degree of utilisation is already leading to shortfalls in resources and capacity in certain areas.

At the same time, the public authorities in Austria and Germany are once again raising their levels of investment in major infrastructure initiatives following years of reluctance to do so. Owing to considerations of budgetary policy, these projects are no longer exclusively financed out of public funds. For these capital-intensive provider and franchise projects, public contract awarders need reliable private partners capable of developing, organising and running large-scale investment projects in compliance with capital market conditions.

Thanks to the economic upturn, the construction sector in Germany is also recovering appreciably. These developments are opening up various growth opportunities for the PORR Group in Austria and Germany as well as central and south eastern Europe. The company intends to take these chances in line with its strategy of controlled revenue growth.

Expansion based on flexible corporate structures

Since flexibility is a fundamental value of the PORR Group, the company was organised according to a matrix structure which enables it to respond to regional fluctuations as well as changes within the individual construction sectors. PORR AG operates as a strategic holding company regulating the national subsidiaries, whilst the company's specialist application expertise is concentrated in the segments of civil engineering, building construction and road construction. The area of project development, which offers promisingly high returns, is incorporated within a separate company – Porr Solutions Immobilien- und Infrastrukturprojekte GmbH – together with associated services. This company acts as a kind of order generator for the three segments. Within the segments themselves, project managers respond to their regional markets independently; this means that the company can deliver expertise tailor-made to specific customers and also address local requirements. Porr GmbH coordinates cross-sector subsidiary business and manages construction projects with local partners.

Raising revenue with a broad service portfolio

The scope for raising yield is limited in the traditional construction business, even where demand continues to rise. Its organisation as a multi-utility group means that PORR, as a property developer with access to planning expertise through associated services such as project financing and management and facility management, is able to generate additional income, which – in common with the necessary personnel resources – can be planned more than would usually be the case in the conventional construction business. The company thereby compensates for the customary revenue fluctuations within the sector.

Thanks to this diversity of product range and flexible organisation, the precise dimensions of PORR are not critical to the company's success.

Achieving higher yield in project development

Since it was established in 1869, PORR's widely acknowledged expertise and skills as a project developer and operator have been much in demand. With the recent expansion of the European Union and the economic revival in central and south eastern Europe, these abilities are now in the spotlight once again. In the company's capacity as a partner to public clients, infrastructure projects are constructed and managed, major real estate projects are implemented and public utilities such as hospitals, schools and power stations are planned, financed, built and operated. The significance of such public-private partnership models is also increasing considerably in Austria and Germany. Although these projects promise revenue with a degree of long-term control, they require a substantial capital basis.

Achieving steady, sustainable earnings

With a view to generating consistent revenue over the long term, PORR will aim to raise its involvement in high-yielding business areas such as PPP and franchise models. As a result, the Group will become increasingly independent of market fluctuations. For reasons of risk diversification, projects of this kind will tend to be implemented in consortia. Relatively high capital deployment and lengthy run times are usual for this area of business. Preconditions include a broadening of the capital basis and optimisation of the financing structure.

Avoiding risk through selective growth

The PORR Group pursues a strategy of selective growth and expansion of activities in central, eastern and south eastern Europe. For specific growth initiatives to be implemented, however, the level of risk must be proportionate to the anticipated revenue. The selective expansion of market presence can offset demand fluctuations and largely guarantee the utilisation of specialist expertise. In order to adapt to local conditions and requirements with as little risk as possible, moves into new markets are generally made in connection with small-scale projects. PORR will only seek to expand through acquisition where this offers above-average opportunities for growth and yield, brings new expertise to the Group, helps to secure resources or captures a regional niche market.

Foreword by the Executive Board

Dear shareholders and business partners of PORR,

The encouraging developments on our markets not only continued during 2006, but actually accelerated in some areas. In the region of central, eastern and south eastern Europe in particular, certain opportunities for expansion have emerged that we will utilise according to the potential for earnings. The pleasing trend on the construction market was driven on the one hand by higher rates of economic activity (with the recovery in Germany particularly evident) and on the other by a massive backlog for construction and infrastructure investment in the new and prospective EU countries. Given that economic growth in this region seems certain to be sustained over the long term, we plan to devote our full attention to these markets.

Against this background, the results for our Group were highly satisfactory. We generated construction output of EUR 2,323 million whilst raising turnover by around 5 percent. Earnings increased in parallel with construction output to stand at EUR 35.3 million – a new record for our company. The order balance – a key indicator of the Group's development – also expanded significantly to the level of EUR 2,013 million. As a result, our capacity will be utilised well into 2008.

In the operational area, the most outstanding achievement was the completion of construction work on the M6, the motorway that runs between Budapest and Dunaújváros. The project was organised by PORR as a joint venture and will be realised under the terms of a public-private partnership model. The motorway will also be operated by one of our associated companies for the next 20 years.

This example highlights the structural changes that the Group has undergone in recent years. We have vertically aligned all subsidiaries to the three segments civil engineering (Porr Technobau und Umwelt AG), building construction (Porr Projekt und Hochbau AG) and road construction (TEERAG-ASDAG AG) according to their construction sector or specific field of expertise. On a horizontal axis, our responsibilities to customers are regionally managed across the segments. PORR SOLUTIONS (Porr Solutions Immobilien- und Infrastrukturprojekte GmbH) draws together all Austrian and international service companies that are involved, in the broadest sense, in planning, project planning, project management, facility management, infrastructural expertise, franchise/provider models and public-private partnership models. Rather than constituting a separate segment, PORR SOLUTIONS acts as an order generator for the Group's three construction sectors.

Thanks to our Group structure and the dimensions of our business, we are ideally placed to meet the challenges of the next decade. Our organisation enables us to render all services according to customer needs and with flexibility across all regions within our market area. At the same time, we are able to take account of earnings and risk considerations in the management of our resources whilst optimising the necessary capital commitment. Ultimately, this is a structure that will enable the Group to exploit high-yielding business areas.

Our main priority is profit, and the organisational preconditions for generating this are in place. This concept was most successfully demonstrated in the transition from performance to operation in connection with the M6 motorway construction project in summer 2006; looking ahead over the current year, further evidence of the soundness of the concept will be produced. We plan to achieve our revenue target (an EBIT margin of five percent over the medium term) by stabilising our core business and, as mentioned, by moving into high-yielding business areas – everything from road construction and real estate/infrastructure projects to the field of energy. In this way, we will not only increase our proceeds, but also supplement short-term revenue from the construction business (which is subject to cyclical variation) with steady income from participations and sustainable turnover that can be planned over the long term.

We intend to keep faith with our established policy of 'selective growth within concentric circles' and to maintain our focus on the German-speaking countries and markets in central and south eastern Europe. We expect growth in this region to be consistent and high-yielding to such a degree that we will not need to consider markets farther afield. We will make acquisitions only where the acquired companies can contribute to our profit levels, deliver new expertise or technologies of a specific nature or ensure a supply of raw materials. Primarily, however, growth will stem from our own construction activities: only this field can offer the kind of day-to-day experience needed to achieve the high standards of planning and project performance that we set for ourselves. As we continue to expand we are taking account of risk management factors, and for this reason we will selectively enter into partnerships that can support future-focused projects.

Given these considerations, the general trend of the past three years is likely to continue in 2007. Having doubled our profits over this period, we expect business activity to expand by around 10 percent in the current fiscal year, with yield remaining broadly stable. The main challenge will be to create a capital basis that will enable us to capitalise on the opportunities for growth in our market region over the years ahead.

We will only be able to achieve these objectives through the reliability and dedication of our staff members. Without their efforts, we would not be presenting these highly satisfactory results, and for that reason they are deserving of our thanks. We would also like to thank the employee representatives, with whom we enjoy a constructive working relationship. We are grateful for the trust of our customers, and we share their satisfaction at feeling safe and sound – not to mention comfortable – in the buildings we construct. We also extend thanks to our shareholders: by standing shoulder to shoulder with the company during some difficult times, they granted us the time to implement the measures that were necessary. Now that the environment has brightened, we intend to reward them with outstanding performance.

Chief Executive Officer Dipl.-Ing. Horst Pöchhacker

Deputy Chief Executive Officer Ing. Wolfgang Hesoun

Director Komm.-Rat Helmut Mayer

Director Dr. Peter Weber

Executive bodies of the Company

EXECUTIVE BOARD

Members of the Executive Board

Chief Executive Officer Dipl.-Ing. Horst Pöchhacker, Vienna, chairman
Deputy Chief Executive Officer Ing. Wolfgang Hesoun, Brunn/Gebirge, deputy chairman
Director Komm.-Rat Helmut Mayer, Vienna
Director Dr. Peter Weber, Deutsch-Wagram

SUPERVISORY BOARD

Members of the Supervisory Board

President Dipl.-Ing. Klaus Ortner *), Vienna, chairman

Director Karl Schmutzer *), Winzendorf, deputy chairman
Dr. Georg Riedl *), Vienna, deputy chairman
Günther W. Havranek *), Perchtoldsdorf
Director Mag. Dr. Martin Krajcsir *), Vienna
Director Dr. Walter Lederer *), Vienna
Dr. Heinz Mückstein *), Bad Vöslau
Komm.-Rat Karl Samstag *), Mödling

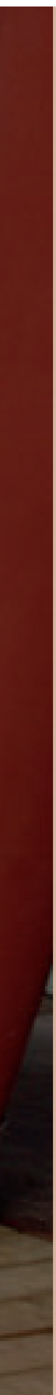
*) The Supervisory Board of the company was re-elected at the 124th ordinary shareholders' meeting held on 24th June 2004, for the duration of the period up to the end of the annual shareholders' meeting that passes resolutions on fiscal year 2008.

Members delegated by works council:

Peter Grandits, Stinatz
Walter Huber, Wiesen
Johann Karner, Mönchhof
Walter Jenny, Vienna

Executive Board

From left to right: Director Komm.-Rat Helmut Mayer, Chief Executive Officer Dipl.-Ing. Horst Pöchhacker,
Director Dr. Peter Weber, Deputy Chief Executive Officer Ing. Wolfgang Hesoun



Information on the management team

CHIEF EXECUTIVE OFFICER DIPL.-ING. HORST PÖCHHACKER

Born 1938, married with two children; member of the Executive Board since 1976; chairman of the Executive Board of PORR AG since 1982.

Responsible for the departments of Strategy, Organisation, Human Resources, Public Relations and Auditing, as well as the TEERAG-ASDAG AG business area

DEPUTY CHIEF EXECUTIVE OFFICER ING. WOLFGANG HESOUN

Born 1960, married with one child; appointed to the Executive Board of the PORR AG in March 2003; deputy chairman of the Executive Board since 2004.

Responsible for the departments of Project Development (Civil Engineering and Building Construction), Project Financing, Technology Management, Quality Management and Equipment and the business areas Porr Technobau und Umwelt AG, Porr Projekt und Hochbau AG and Porr Solutions Immobilien- und Infrastrukturprojekte GmbH.

DIRECTOR KOMM.-RAT HELMUT MAYER

Born 1953, married; Executive Board member of the PORR AG since 2003.

Responsible for the departments of Financial Management and Capital Market, Accounting, IT, Insurance and Purchasing.

DIRECTOR DR. PETER WEBER

Born 1949, married with two children; member of the PORR AG Executive Board since 2003.

Responsible for the departments of Controlling, Group Structure and Information Management, Real Estate Portfolio, Resources and Law and the business area UBM Realitätenentwicklung AG.

Group structure

<table>
<tr><th>Countries</th><th>PTU</th><th>PPH</th></tr>
<tr><td>AT</td><td colspan="2">PORR SOLUTIONS
IMMOBILIEN- UND INFRASTRUKTURPROJEKTE GMBH</td></tr>
<tr><td></td><td colspan="2">PORR GMBH
BRANCH OFFICES IN LOWER AUSTRIA, UPPER AUSTRIA, SALZBURG, CARINTHIA, TYROL AND STYRIA</td></tr>
<tr><td></td><td>PORR TUNNELBAU GMBH</td><td>WIBEBA HOCHBAU GMBH & CO NFG KG *)</td></tr>
<tr><td></td><td>PORR UMWELTTECHNIK GMBH</td><td>O.M. MEISSL & CO BAU GMBH</td></tr>
<tr><td></td><td>VORSPANN-TECHNIK GMBH & CO KG</td><td>ING. RADL-BAU GMBH *)</td></tr>
<tr><td></td><td>SCHOTTER- UND BETONWERK KARL SCHWARZL BETRIEBSGMBH</td><td>ALU-SOMMER GMBH *)</td></tr>
<tr><td></td><td>EUROPEAN TRANS ENERGY GMBH</td><td></td></tr>
<tr><td>DE</td><td colspan="2">PORR DEUTSCHLAND GMBH
BRANCH OFFICES IN MUNICH, BERLIN, HAMBURG, THURINGIA/SAXONY, MURNAU, FRANKFURT</td></tr>
<tr><td></td><td>PORR TECHNOBAU UND UMWELT GMBH, MUNICH</td><td></td></tr>
<tr><td></td><td>BETZOLD ROHRBAU GMBH & CO KG, NUREMBERG</td><td></td></tr>
<tr><td>CH</td><td>PORR SUISSE AG, ALTDORF</td><td></td></tr>
<tr><td>PL</td><td>PORR TECHNOBUD POLSKA SP. Z O.O., BRESLAU</td><td>PORR (POLSKA) S.A., WARSAW</td></tr>
<tr><td></td><td></td><td>MODZELEWSKI & RODEK SP. Z O.O., WARSAW</td></tr>
<tr><td></td><td></td><td>STAL-SERVICE SP. Z O.O., WARSAW</td></tr>
<tr><td>SI</td><td>PORR D.O.O., MARBURG</td><td></td></tr>
<tr><td>CZ</td><td></td><td>PORR (ČESKO) A.S., PRAGUE</td></tr>
<tr><td>SK</td><td colspan="2">PORR (SLOVENSKO) A.S., BRATISLAVA</td></tr>
<tr><td>HU</td><td colspan="2">PORR ÉPÍTÉSI KFT., BUDAPEST</td></tr>
<tr><td>HR</td><td colspan="2">PORR HRVATSKA D.O.O., ZAGREB</td></tr>
<tr><td>BA</td><td colspan="2">PORR D.O.O. SARAJEVO</td></tr>
<tr><td></td><td colspan="2">PORR D.O.O. BANJALUKA</td></tr>
<tr><td>CS</td><td colspan="2">GP PORR D.O.O. BEOGRAD</td></tr>
<tr><td>ME</td><td colspan="2">PORR (MONTENEGRO) D.O.O., PODGORICA</td></tr>
<tr><td>BG</td><td colspan="2">PORR BULGARIA OOD, SOFIA</td></tr>
<tr><td></td><td colspan="2">PORR CONSTRUCT S.R.L., BUCHAREST</td></tr>
<tr><td>UA</td><td colspan="2">TOV “PORR UKRAINA”, KIEV</td></tr>
<tr><td></td><td colspan="2">TOV “PORR INTERGAL-BUD”, KIEV</td></tr>
</table>

*) Industrial management

Group structure

T-A	PS	Countries
BRANCH OFFICES IN AUSTRIA (VIENNA, STYRIA, CARINTHIA, KREMS, UPPER AUSTRIA, SALZBURG, BURGENLAND, TYROL)	M-PARKING ERRICHTUNGS-, BETRIEBS- UND SERVICE GMBH	AT
ALLGEMEINE STRASSENBAU GMBH (BRANCH OFFICES IN ALL FEDERAL STATES)	LTE LOGISTIK- UND TRANSPORT-GMBH	
BAUGMBH ERHARD MÖRTL	HOSPITALS PROJEKTENTWICKLUNGSGMBH	
HANS BÖCHHEIMER HOCH- UND TIEFBAU GMBH	FMA GEBÄUDEMANAGEMENT GMBH	
AGES-BAU ASPHALT-GMBH	PORR TECHNICS & SERVICES GMBH & CO KG	
GESELLSCHAFT FÜR BAUWESEN GMBH	GREENPOWER ANLAGENERRICHTUNGS- UND BETRIEBS-GMBH	
BOSCH BAUGMBH	KÄRNTNER RESTMÜLLVERWERTUNGS GMBH	
ASPHALTUNTERNEHMUNG DIPL.-ING. O. SMEREKER & CO GMBH	AQUA PLUS WASSERVERSORGUNGS- UND ABWASSERENTSORGUNGS-GMBH	
ASPHALTUNTERNEHMUNG RAIMUND GUCKLER BAUUNTERNEHMUNG GMBH	ARIWA ABWASSERREINIGUNG IM WALDVIERTEL GMBH	
TECHNISCHES BÜRO SEPP STEHRER BAUSTOFF-GROSSHANDLUNG GMBH	ECRA EMISSION CERTIFICATE REGISTRY AUSTRIA GMBH	
EUPHALT-HANDELSGMBH		
EISENSCHUTZGMBH		
ING. OTTO RICHTER & CO STRASSENMARKIERUNGEN GMBH		
IAT GMBH		
ASPHALT-UNTERNEHMUNG CARL GÜNTHER GMBH		
WIENER BETRIEBS- UND BAUGMBH		
SCHATZL & JUNGMAYR GARTEN- UND LANDSCHAFTSBAU GMBH		
	PORR SOLUTIONS IMMOBILIEN UND INFRASTRUKTURPROJEKTE GMBH, BERLIN	DE
GUNIMPERM-BAUVEG SA, BELLINZONA		CH
TEERAG-ASDAG POLSKA SP. Z O.O., WARSAW	PORR SOLUTIONS SP. Z O.O., WARSAW	PL
PRAŽSKÉ SILNIČNÍ A VODOHOSPODÁŘSKÉ STAVBY A.S., PRAGUE		CZ
TEERAG-ASDAG SLOVAKIA S.R.O., BRATISLAVA	LTE LOGISTIK A TRANSPORT SLOVAKIA S.R.O., BRATISLAVA	SK
TEERAG-ASDAG KFT., MOSONMAGYARÓVÁR	M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT., BUDAPEST	HU
ASDAG KFT., JÁNOSSOMORJA		
	AQUASYSTEMS GOSPODARJENEJE Z VODAMI D.O.O, MARIBOR	SI
BAUVEG-WINKLER D.O.O., ZAGREB	PORR SOLUTIONS D.O.O, ZAGREB	HR
	PORR SOLUTIONS EOOD, SOFIA	BG
	PORR SOLUTIONS S.R.L., BUCHAREST	RO
IMPERTUNEL, S.L., BARCELONA		ES

As of: February 2007

Management report

GENERAL ECONOMIC ENVIRONMENT

The global economy in 2006

Continued expansion of the global economy as a whole despite an appreciable increase in the price of raw materials

The global economy as a whole expanded rapidly in 2006, with real terms gross domestic product on a global basis increasing by a projected total of 3.7 percent (source: OECD, IMF). Given the upturn in the world-wide economic environment, prices increased for the raw materials used in construction work. Over the course of the year, the commodity price index of the Hamburg Institute of International Economics (for twelve European countries and including industrial and energy raw materials) rose by 19.4 percent. The price of crude oil also rose sharply last year, with a reference barrel of North Sea Brent costing 19.7 percent more in December 2006 than it did in the same month of the previous year. Steel and energy prices were also on the rise.

Economic development in Europe

PORR benefited from the rapid growth being experienced in central, eastern and south eastern Europe

During 2006, the economic picture for the 25 EU states brightened considerably. Having expanded by a modest 1.1 percent in 2005, the economy picked up pace during the first six months; by the end of the 2006, growth of 2.9 percent was recorded. PORR benefited from this rapid growth by maintaining a focus on central, eastern and south eastern Europe.

The recovery was rooted in the revival of domestic demand levels. Thanks to much improved capacity utilisation, high corporate profits and persistently low interest rates, companies were noticeably more willing to invest – and the positive mood also spurred investment in construction. The aggregated budgetary deficit for the eurozone is likely to have shifted slightly from minus 2.4 percent to 2.2 percent in 2006.

Indicators of economic development in 2006

in %	Growth rate for real-terms GDP	Inflation rate (HICP basis)	Unemployment rate
EU-25	2.9	2.2*	7.9
Bulgaria	6.0*	7.3	8.9
Germany	2.7	1.8	8.4
France	2.2*	1.9	9.0
Croatia	4.5*	n. a.	n. a.
Lithuania	7.8*	3.8	5.9
Austria	3.1*	1.7*	4.8
Poland	5.2*	1.3	14.0
Romania	7.2*	6.6	n. a.
Slovakia	6.7*	4.3	13.3
Slovenia	4.8*	2.5	6.0
Czech Republic	6.0*	2.1	7.2
Hungary	3.9	4.0	7.5

* projected value
n.a. = not available

Source: EUROSTAT

During 2006, economic development in the new EU member states in which the PORR Group has a strong presence kept pace with the rest of Europe. Here too, rising domestic demand was the driver of economic expansion. Investment – particularly in infrastructure – was also encouraged by EU programmes. Average inflation rates in the new EU countries exceeded those of the eurozone, except in Poland, where prices rose by 1.3 percent in 2006 and the effects of rising energy prices were counteracted by falling food prices and the revaluation of the zloty.

EU investments in infrastructure ensured high levels of demand for construction output

Romania and Bulgaria acceded to the European Union on 1st January 2007. With nearly 30 million inhabitants, these countries now constitute around 9 percent of the population of the enlarged union. However, with low levels of production, they represent less than 1 percent of gross domestic product. Although the two Balkan states are expanding just as rapidly as the other new member states, inflation rates remain much higher than those in other EU countries (6.6 percent in Romania and 7.3 percent in Bulgaria). In common with most new member states, both countries also have sizeable current account deficits: the average deficit stood at 8.7 percent of GDP in Romania and 11.8 percent in Bulgaria, compared to 0.6 percent for the EU-25.

The economic upturn in Germany picked up pace significantly in 2006. Although the economy grew by just 0.9 percent in price adjusted terms in 2005 according to information from the German Federal Statistical Office, economic output expanded by 2.7 percent last year. The revival was driven by higher domestic demand and a sustained sharp rise in exports. Following a decade of constant decline, construction investment finally began to move forward again, with production in the German construction industry growing from EUR 78.8 billion to EUR 82.3 billion in yearly comparison. The employment figure increased appreciably and, at the same time, registered unemployment decreased. Production was also spurred by private householders, who, mindful of the VAT increase due to come into effect on 1st January 2007, displayed a preference for investing in durable consumer goods and homebuilding. The recovery in the construction industry, which took root in mid-2005 following years of decline, is nonetheless expected to continue over the coming years without interruption.

Growth of the German construction industry for the first time in ten years

The Austrian economy in 2006

In keeping with the outstanding economic developments across the eurozone, the Austrian economy grew by the expected 3.1 percent last year, the strongest rate since 2000. The trend at home was based on exports, rapidly recovering investment demand and a particularly strong upturn in construction investment. Inflation in 2006 developed as forecast at the modest rate of 1.7 percent: prices were pushed up by energy prices whilst being suppressed in the areas of leisure, culture and communications. The booming economy led to improvements in the labour market situation and a significant expansion in training initiatives. The number of registered unemployed fell sharply, with Austria reporting an unemployment rate of 4.8 percent for 2006.

DEVELOPMENTS IN THE EUROPEAN CONSTRUCTION INDUSTRY

The expansion of the European construction industry, which has been an established pattern for many years, continued in 2006. Experts expect the trend to be maintained.

The construction industry in Europe was sluggish during the early 1990s, with volume in decline. The current period of expansion – characterised by average annual growth rates of 1.8 percent – began in 2000. The growth rate for 2006 is expected to stand at around 2 percent and the construction volume of EUR 1,400 billion is likely to be exceeded.

Above average growth rates in central, eastern and south eastern Europe

The five major economies – Spain, Germany, Great Britain, Italy and France – account for approximately 75 percent of the European construction volume. Around 23 percent is generated by the other countries of western Europe, with the eastern states currently representing around 4 percent of European volume. The individual countries of the 'big five' contribute roughly equally to construction volume (13.5 to 15.9 percent); however, developments on these markets have varied considerably over recent years. Germany and Spain in particular have deviated strongly from the European average: the construction boom in Germany in the wake of reunification was followed by a period of decline lasting around ten years. In Spain, by contrast, the explosion in demand that started in the mid-1990s has continued to the present day, only dipping slightly in 1996. Austria and Switzerland experienced a period of relative stagnation that lasted from the early 1990s to 2005. Owing to the construction backlog in the eastern European states, volumes are growing at rates that comfortably outstrip those of their western neighbours. Over the last 14 years, these countries have almost always achieved average annual expansion rates in building production of 3.5 percent. Residential construction and renovation have emerged as key economic and employment drivers in the EU. In the new EU states in particular, the promotion of residential construction has become critically important. By contrast, residential renovation has become ever more significant for the EU-15, with tax incentives further boosting this area in most cases. Over the past year, residential construction was primarily sustained by France, Italy, Ireland and Spain; however, demand levels are expected to fall again in these countries as from 2008 or 2009.

Civil engineering in Europe represented around 21 percent of activity – a relatively small proportion, but with growth rates of around 3 percent forecast for the years ahead, this area is likely to become the motor of expansion.

Needless to say, the boom in the industrial and construction sectors is reflected on the labour market. The construction industry (and the housing industry in particular) has become one of the largest employers. Compared to the previous year, the number of people in employment has risen substantially: around 45 million jobs now depend on the construction industry and its related sectors. However, a clear East-West divide is once again apparent: the proportion of people working in the construction industry in the new EU states (with the exception of Poland and Slovenia) is consistently higher than the average level for the EU-25.

Developments in the Austrian construction industry

Construction output in Austria started to pick up pace again early in 2006, with investment in infrastructure projects rising particularly strongly. The labour-intensive residential construction area is also expanding again, now that the oversupply of residential properties has been eliminated. The financing situation also underpinned the upturn in the form of favourable interest rates (rates for house building loans are low, for example). Measures aimed at implementing Kyoto targets (including the promotion of low-energy and passive houses) also contributed to the latest rise in employment within the residential construction sector in Austria.

Infrastructure and residential construction are powerful drivers of the Austrian construction industry

The Austrian construction industry enjoyed an outstandingly successful year in 2006. Value added surpassed the previous year's level by 5.5 percent in real terms as early as the third quarter. Given the sustained investment and the positive orders situation for infrastructure and residential building, construction companies remain optimistic enough to take on extra staff. As a result, the number of unemployed people in the construction sector was around 10 percent lower in autumn 2006 than it had been in the year before. This will continue to impact positively on the labour market: capacity utilisation remains high in the infrastructure building sector and production is also likely to increase in the labour-intensive residential construction area.

DEVELOPMENTS IN THE REAL ESTATE SECTOR IN EUROPE

Real estate investment is booming on European markets. According to the latest European Capital Markets Bulletin published by Jones Lang LaSalle, the volume of transactions reached the record level of EUR 242 billion in 2006. This shows that the readiness to invest has increased substantially, with the positive economic trend that characterised the previous year in Europe now benefiting the real estate sector. As a consequence, the proportion of high-volume transactions has risen significantly in Europe. In 2006 alone, 58.0 percent of invested sums were in nine figures in euro terms (the proportion for the previous year was 51.0 percent, and 47.0 percent in 2004). The European investment climate is mainly controlled by American, British, Irish and German investors. Improvements in general property investment conditions are responsible for this trend. The regional and usage priorities of institutional investors are undergoing a major shift at present: whereas property companies tended to invest on their domestic markets in the past, cross-border property investment transactions as a proportion of the total volume rose to around 68 percent in the first half of 2006 – a trend that is likely to have accelerated in the second six months of the year. The shift in the investment focus from western Europe to the CEE markets started to become apparent in 2005, and the trend was maintained throughout 2006. With investors also willing to take bigger risks, volumes in the states of central and eastern Europe more than doubled to EUR 13.3 billion.

The number of high-volume real estate transactions has increased significantly

Office markets in Europe generally performed well over the past year, with rents rising and vacancy rates falling. Floor space in Europe reached the record level of 13 million square metres. Thanks to sustained demand, vacancy rates have continued to fall across Europe, and especially in Moscow, Madrid, Barcelona and Copenhagen. Rent levels increased across the board, with double-digit percentage rises seen in Dublin, London, Moscow and Madrid in particular. Rental charges stabilised in eastern Europe, with yields in established locations such as Warsaw and Budapest gradually levelling out at western levels. Many cities in eastern Europe proved to be much more profit-yielding than some capitals in the west. With returns of 10.5 percent, the highest yielding city is Moscow. Rates of return in Bucharest (7.8 percent), Budapest (6.2 percent), Warsaw

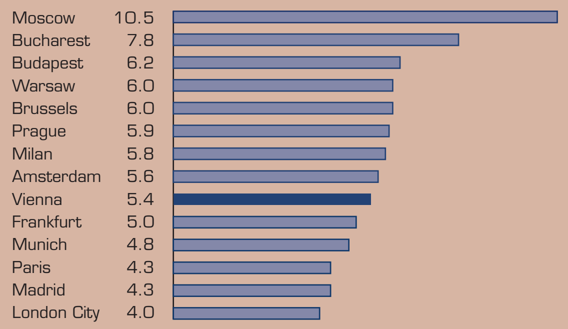
Moscow und Bucharest are currently the highest-yielding cities

(6.0 percent) and Prague (5.9 percent) were higher than the 5.4 percent figure for the Austrian capital. Investors are now turning their attention to Bulgaria and Romania, the latest EU member states.

Revival of residential markets throughout Europe

Generally speaking, the residential sector in Europe performed better than expected in 2006, although the picture varied from one country to another judging by the number of completed projects. Belgium (14.0 percent), Italy (13.0 percent), the Netherlands (12.0 percent) and Denmark (11.0 percent) all achieved double-digit percentage growth. Anticipation of the imminent abolition of the homeowners' allowance ensured a revival on the German market, which expanded by 8.0 percent. Residential property prices in Europe again rose significantly in 2006, although growth in some places was more moderate than in 2005.

Maximum yields for office properties European cities by comparison in autumn 2006



Source: CPB

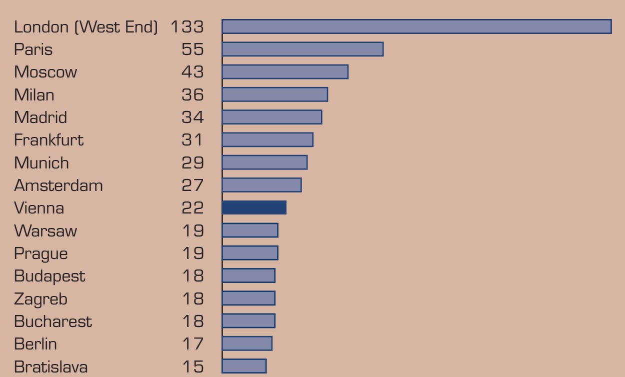
The Austrian property market

Stable rental prices on the Vienna office market

According to leading estate agents in Austria, the high demand for investment properties amongst international investors is outstripping supply to some extent.

On the office market, the highly satisfactory performance of 2005 was exceeded thanks to another major rise in total rented surface area. The main reason for the dynamic upturn was the phenomenon of companies relocating with a view to achieving cost reductions and raising competitiveness through greater space efficiency. The Austrian market has emerged as a secure and stable market for property investment which is attracting strong interest from national and international investor groups. The total surface area rented in Vienna during the reporting year could reach 350,000 square metres – a record value unmatched even in the boom years of 1999 and 2000. For the first time in many years, both average and peak rents increased slightly. However, compared to other European capitals, rental prices in Vienna continue to be low, if highly stable. With floor space production well below the rented surface area, the vacancy rate continues to fall steadily. There is a clear gap between new building projects and extensively renovated properties on the one hand and older, non-refurbished office buildings on the other (in which vacancy rates exceed 20 percent in many cases). As the market volume increases, investors are tending to get involved at the project planning stage, thereby bearing at least a share of the letting risk.

Peak rents in Europe 2006 (in EUR/m²/M)



Source: CPB

DEVELOPMENT OF OUTPUT

Definition of production output

Within the PORR Group, production output is determined from the annual construction output of all operational Group companies according to certain economic criteria. As opposed to the gross revenues reported in the Group profit and loss account, the output of joint ventures involving PORR AG or one of its subsidiaries is included proportionately in the calculation of production output. Only the TEERAG-ASDAG Group, in which PORR has a stake of 52.5 percent but of which it holds industrial management control, deviates from this share-ownership ratio rule under commercial law in that 100 percent of it is included in the production output figure.

Development of production output

Sustained successful development of output in 2006

During 2006, the PORR Group managed to sustain the strong production output of recent years. Output has been rising by an annual average of 8 percent since 2003. The only temporary interruption to the expansion in output came in 2004, when UBM was deconsolidated.

Weather-related disruption early in 2006 was compensated for by a long period of mild weather towards the end of the year. This meant that the negative impact on production output did not materialise as expected, either at home or abroad. In Austria, several major contracts were secured as a result of greater public sector investment in infrastructure; this made it possible to raise the domestic share of operating performance as compared to previous years. The level of the previous year was almost matched abroad; although a number of major projects reached completion during the first six months and it was not possible to follow these with projects of similar magnitude.

Around 30 percent of output is generated outside Austria

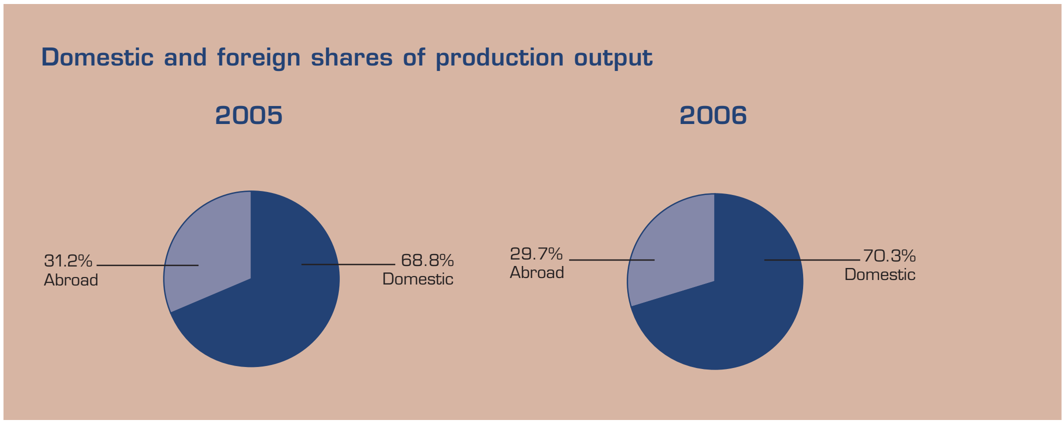
As of 31st December 2006, operating performance for the PORR Group stood at EUR 2,322.7 million, exceeding the 2005 figure (EUR 2,258.0 million) by EUR 64.8 million or 2.9 percent.

The greater share of output (70.3 percent or EUR 1,632.4 million) was generated on the domestic market; this equates to a rise of 5.1 percent (EUR 79.0 million). EUR 690.3 million (29.7 percent) of operating performance was generated abroad; this figure was EUR 14.2 million (2.0 percent) below the value for 2005. The improvements in performance were achieved through organic growth rather than corporate acquisitions.

Development of foreign markets

During the first part of the year, it was only possible to acquire lucrative projects at an early stage in Austria; this led to performance improvements on the domestic market. Large projects acquired abroad at later dates did not form a significant share of output in 2006, as a result of which the overall foreign share of construction output fell for the PORR Group.

Compared to 2005, the foreign share of operating performance fell by 2.0 percent (EUR 14.2 million) to 29.7 percent (a volume of EUR 690.3 million).

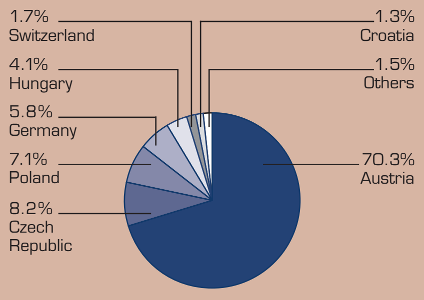


PORR is resolutely pursuing a 'strategy of growth' in CEE

Thanks to our widespread local presence, we are now taking full advantage of the satisfactory demand situation created by the considerable backlog in the infrastructure, energy and building construction sectors in both the new EU member states and the other successor states to the former Yugoslavia.

The high output volume generated in the Czech Republic in 2005 was raised by a further EUR 24.2 million to stand at EUR 189.3 million. The best-performing sectors in this country were road construction (PSVS a.s., Prague), other building construction (which expanded by a considerable 37.1 percent) and office and commercial buildings (which also expanded by an impressive 37.7 percent).

Output by country in 2006



Poland is the second most important foreign market of the PORR Group

In Poland, the sectors of other building construction and office and commercial buildings (with respective expansion rates of 135.3 percent and 223.6 percent) contributed significantly to the 59.9 percent increase in volume (EUR 61.8 million) to a total of EUR 165.0 million. Poland thereby emerged as the second most important foreign market of the PORR Group after the Czech Republic.

Despite ongoing restructuring measures in Germany, the company succeeded in keeping the performance shortfall compared to 2005 within manageable limits. Operating performance of EUR 135.4 million fell short of the previous year's value by just EUR 16.2 million (10.7 percent). This value made Germany the third largest foreign market. Given the general economic situation and especially the long-awaited revival of the German construction industry, further improvements are expected in 2007.

The major Autobahn M6 construction project has been completed in Hungary. However, since it was not possible to acquire new large-scale projects until the second half of the year, total performance of EUR 94.2 million fell short of the 2005 figure by 45.3 percent (EUR 77.9 million). The most significant drop (71.6 percent) was sustained in the road construction sector. In common with the situation in Germany, however, improvements are nonetheless likely to be achieved in 2007 thanks to orders received in the meantime.

The civil engineering sector performed strongly in Switzerland, although operating performance of EUR 40.0 million fell short of the 2005 figure by 5.2 percent.

Contrasting with Switzerland in terms of sectoral performance was Croatia, where around 86 percent of the operating performance of EUR 31.1 million was generated in the building construction sector (and particularly the area of office and commercial buildings). This equates to a rise of 12.9 percent on 2005.

The PORR Group's other foreign markets – including Slovakia (EUR 8.8 million), Slovenia (EUR 8.7 million), Romania (EUR 5.4 million) and Bosnia-Herzegovina (EUR 4.1 million) are currently contributing to output on a smaller scale; output is still generated in specific locations rather than across the board. Market presence in these countries will be expanded in stages as appropriate where success is likely to ensue. In other words, PORR will be implementing a strategy of 'growth in concentric circles'.

Development of production output by sector

The effects of infrastructure expansion initiatives across Europe are most apparent in the output figures for specific sectors. Civil engineering was the dominant sector, contributing 46.5 percent (EUR 1,078.8 million) of total construction output for the Group. However, this value fell short of the output volume for 2005, dropping by EUR 33.8 million, i.e. 3.0 percent.

High growth rates in tunnel construction

The road construction sector contributed around 45.9 percent (approximately EUR 495.5 million) of the total civil engineering volume. Of this figure, around 73.0 percent (EUR 362.0 million) was generated in Austria. The largest volume of output abroad (EUR 77.9 million) came from the Czech Republic, thanks to the TEERAG-ASDAG subsidiary PSVS a.s. of Prague. Underground utility mains and cable network construction was the second most important civil engineering sector with output of EUR 221.4 million; again, the main share of this (EUR 186.5 million) was generated domestically. The tunnel construction and bridge construction sectors both raised their output levels in 2006 with EUR 79.8 million and EUR 77.0 million respectively; construction output expanded by EUR 13.0 million (19.5 percent) for tunnel construction and by EUR 1.2 million (1.6 percent) for bridge construction. By contrast, a lack of follow-up contracts meant that other specialist civil engineering declined by 2.0 percent (EUR 2.7 million) to EUR 135.5 million, whilst railway construction fell by a considerable 35.5 percent (EUR 38.3 million) to EUR 69.7 million.

Boom in real estate market has caused upswing in building construction sector

Compared to 2005, the building construction sectors improved their performance by a modest 2.0 percent (EUR 16.9 million) to stand at EUR 841.8 million (equivalent to 36.2 percent of operating performance for the PORR Group in 2006). The current trend identified on the European real estate market is apparent in the different building construction sectors. Thanks to the boom in office and commercial buildings (particularly in Poland), this sector achieved an output volume of EUR 255.7 million, 16.8 percent (EUR 36.7 million) above the already impressive figure of 2005. The acceleration in house building activity, which was particularly pronounced in Austria, was the main reason behind the 22.2 percent (EUR 35.5 million) rise in output in the residential construction sector to EUR 195.6 million. The sector of sporting facilities construction is also expanding at a rapid rate, albeit from a lower base. Thanks to the construction and renovation of stadia for the European football championships in 2008 in Austria, this sector increased output by EUR 19.4 million to produce a total volume of EUR 23.9 million.

ORDER BALANCE

Record level of order receipts ensures record order balance

Historic record level of order receipts and order balance

The orders situation for the PORR Group improved significantly in 2006, both at home and abroad. Greater public sector investment in infrastructure initiatives within Europe and a steadily growing willingness to invest on the part of private contractors opened up numerous market opportunities over the past year. This led to new orders and pushed order balances to all-time record levels as the two-billion-euro barrier was broken for the first time. Since volume is already sufficient to ensure basic capacity utilisation for 2007, we will be able to acquire orders more selectively in future. The Group's most pressing aim will now be to uphold this position over the long term, taking account of improved creditworthiness.

Total order balance for 2006

More than half of the annual output forecast for 2007 has already been contractually secured

In spite of a high level of service provision, successful acquisition enabled us to achieve a year-end order balance of EUR 2,013.4 million, a figure that was 37.4 percent (EUR 548.1 million) above the previous year's value. Of the total stated, around 75 percent (EUR 1,507.0 million) will be rendered in 2007. This level of orders means that around 58.0 percent of the annual output forecast for 2007 has already been secured. The starting position as we entered 2007 was therefore better than the position at the start of 2006, when only 50.0 percent or so of an output forecast around EUR 350 million lower had been secured. Little had changed since 2005 as regards the distribution of domestic and foreign orders: around 62.4 percent will be rendered domestically and 37.6 percent relates to foreign markets. In terms of absolute values, there was an increase for Austria of 36.0 percent (EUR 332.9 million) to EUR 1,256.8 million and a rise abroad of 39.8 percent (EUR 215.2 million) to EUR 756.6 million.

The figure reported for Hungary (EUR 221.2 million) is a record value for a foreign market in the history of the PORR Group. Compared to 2005, this represents a rise of 63.9 percent (equivalent to EUR 86.2 million). The increase was almost entirely due to bridge construction carried out in connection with the expansion of the M0 ring road around Budapest (up EUR 82.7 million to EUR 83.5 million).

The economic upturn in Germany, which picked up pace during the second half of 2006, is also apparent in the latest order balance, which more than doubled to EUR 185.8 million; this figure exceeded the comparable value for the previous year by EUR 98.2 million. The main factors in the rise were tunnel construction (which improved from EUR 57.0 million to EUR 59.4 million), other building construction (up 18.3 percent to EUR 35.2 million) and office and commercial buildings (up 11.8 percent to EUR 17.1 million).

The Czech Republic was in third place with EUR 117.8 million, a figure that fell short of the previous year's high level of EUR 149.8 million. Smaller increases in the areas of other building construction, industrial plant construction and residential construction could not compensate for significant reductions in office and commercial buildings (down from EUR 34.9 million to EUR 24.9 million) and road construction (down EUR 19.9 million to EUR 49.7 million).

The EUR 26.4 million decline in office and commercial buildings to EUR 35.1 million was not fully counterbalanced by increased order balances in other sectors; the order balance in Poland declined by EUR 16.1 million overall to stand at EUR 75.9 million at the end of 2006. In Slovakia, a large order relating to the head offices of SLSP in

Bratislava helped to expand the order volume by a significant EUR 57.6 million to EUR 60.7 million; most of the service provision will be rendered in 2007.

The order balances were also noteworthy in Switzerland (up 2.1 million on the 2005 figure to EUR 43.6 million) and Croatia (EUR 9.7 million above the 2005 value at EUR 35.5 million).

Romania (EUR 8.8 million), the Republic of Serbia (EUR 3.6 million) and Montenegro (EUR 2.4 million) all achieved (sometimes considerable) improvements in their order volumes compared to 2005. However, these order levels remain comparatively low for the time being.

Group order receipts

Increasing order receipts with only marginal seasonal variations

During the past year, the PORR Group set a new record for order receipts with a volume of EUR 2,870.9 million. The values for individual quarters varied only marginally between EUR 693.0 million and EUR 755.0 million; in other words, roughly equal order volumes were acquired from one quarter to the next.

Major orders in 2006

Austria	Porr Tunnelbau GmbH	Major upgrade of Tauern tunnel (second tube)
	Porr Tunnelbau GmbH	Münster/Wiesing rail axis Brenner, north feeder line
	Porr Projekt und Hochbau AG	Euro-Plaza office building, construction site 4, Vienna
	Porr Tunnelbau GmbH	Limberg II pumped storage power plant
	Porr Technobau und Umwelt AG	Pfaffenau incinerating plant, Vienna
Germany	Porr Tunnelbau GmbH	Finne tunnel, two railway tunnel tubes, Munich
Poland	Porr (Polska) S.A.	Stary Bowar shopping centre, Poznań
	Porr (Polska) S.A.	Equator 1 office building, Warsaw
Slovakia	Porr Projekt und Hochbau AG	Main building for Erste Bank (Slovenská sporitelna a.s.), Bratislava
Hungary	Porr Technobau und Umwelt AG	M0 motorway, eastern sector
	Porr Technobau und Umwelt AG	M7 motorway, Balatonkeresztúr–Nagykanizsa
	Porr Projekt und Hochbau AG	Budafoki office building, Budapest

EARNINGS SITUATION

PORR succeeds in raising turnover by over 5 percent

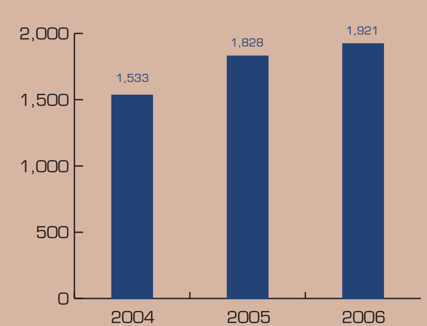
The statements and values set out below are generally based on the consolidated accounts alone, since, given the Group structure (holding function), these also have the greatest relevance to the economic situation of Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft.

Compared to 2005, consolidated construction turnover increased by EUR 92.8 million (equivalent to a rise of 5.1 percent) to stand at EUR 1,921.0 million.

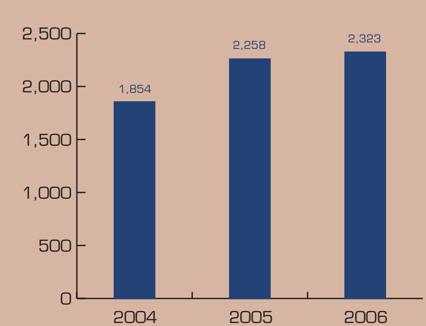
This figure includes invoiced construction work on own construction sites, goods and services to joint ventures, profit transfers from joint ventures and other ancillary revenue. The disparity in production output as against the gross revenues stated in the profit and loss account mainly results from the differing treatment of joint ventures (the reporting of sales only shows output for which joint ventures were actually invoiced, and profit transfers). The increase in construction turnover achieved in reporting year 2006 was derived exclusively from organic growth. The most significant contribution to the increase was delivered by Porr GmbH in Austria, which raised its turnover from EUR 87.1 million (short fiscal year) to EUR 187.8 million in its first full year of business activity.

The PORR Group succeeded in raising earnings as well as turnover in comparison with the previous year. Earnings before tax (EBT) increased from EUR 32.4 million to EUR 35.3 million, equivalent to an improvement of 9.0 percent.

Turnover in EUR million



Production output in EUR million



Above-average rise in revenue

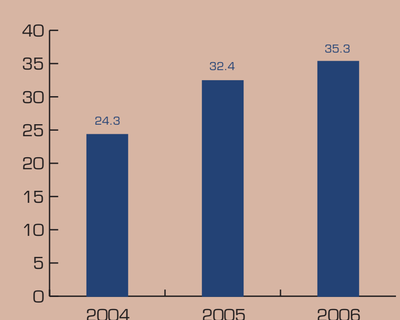
As regards expenditure, an above-average increase in material and other production costs was recorded, mainly due to the greater use of subcontractor services. The previous year's value grew by EUR 81.8 million (7.2 percent) to EUR 1,223.3 million: to render construction services, greater recourse was had to purchased services, which rose by EUR 82.2 million (10.9 percent) to EUR 834.2 million in 2006. By contrast, personnel costs acted as a compensatory counter-item, remaining virtually unchanged. Depreciation of tangible assets dropped from EUR 47.8 million to EUR 43.5 million, constituting a share of 2.26 percent of operating performance in 2006. Other operating expenses (which rose by 1.7 percent to EUR 142.0 million) essentially comprise office running costs, accommodation and travel expenses, taxes and duties, legal, audit and consultancy costs, advertising expenditure, other third party services, general administrative costs and shares of losses linked to orders processed through joint ventures; this item also includes payments relating to rental and leasing agreements.

Decrease in other operating income, considerable rise in earnings from shareholdings

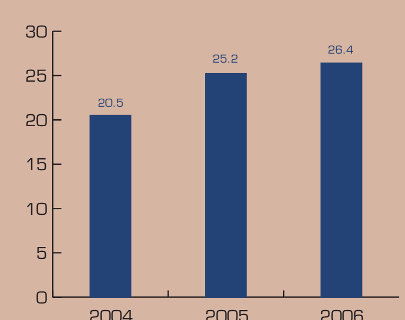
The decrease in operating income (EBIT) from EUR 49.3 million to EUR 47.7 million (minus EUR 1.6 million, down 3.2 percent) is connected with the reduction in other operating income, which had expanded by EUR 8.7 million in 2005 owing to the one-time effect of property sales. Earnings from shareholdings rose by a considerable EUR 8.0 million (96.4 percent), from EUR 8.3 million to EUR 16.3 million, whereby the PORR Group benefited from the increased earnings of the associated companies included in this item. Financial expenditure of EUR 39.7 million was marginally higher than the previous year's value (up EUR 0.85 million or 2.2 percent); this increase was largely due to the rise in bank interest, which was not fully compensated for by the bond issue of 2006.

On the basis of a result before taxes on earnings (EBT) of EUR 35.3 million, and deducting taxes on income of EUR 2.7 million, annual net income amounted to EUR 32.6 million (an improvement of EUR 0.64 million or 2.0 percent on 2005). After deducting profits due to minorities of EUR 6.3 million, the proportion for shareholders of the parent company stood at EUR 26.4 million. This produced earnings per share of EUR 12.96 (up EUR 0.52 or 4.2 percent compared to 2005).

EBT in EUR million



Consolidated profits in EUR million



Dividend

Dividend unchanged

On the basis of the results for 2006, the Executive Board intends to propose payment of a dividend of EUR 1.74 to bearers of ordinary and preference shares and capital share certificates at the 127th annual shareholders' meeting taking place on 24th May 2006. The dividend for 2005 was also EUR 1.74 per share.

FINANCIAL POSITION

Strong growth for Porr GmbH in Austria

Compared to the previous year, the balance sheet total increased by EUR 94.4 million to EUR 1,622.0 million. This was mainly due to the strong growth of Porr GmbH in Austria. Under short-term assets, trade debtors also expanded by a considerable EUR 104.2 million (17.7 percent) to EUR 694.2 million. Under long-term assets, fixed assets rose by 4.0 percent (EUR 13.6 million) to stand at EUR 354.0 million owing to the activation of equipment leasing. The value of financial real estate increased by EUR 14.0 million (9.4 percent) to EUR 162.3 million; of this figure, around EUR 8 million derived from the initial consolidation of the Muthgasse project.

Financing structure

Higher equity ratio

Not accounting for profits due to minorities, the PORR Group had equity capital of EUR 215.8 million at the end of 2006. The 11.5 percent increase on 2005 (equivalent to EUR 22.3 million) mainly resulted from the transfer of the proportion for shareholders of the parent company from the annual net income to retained earnings minus the dividend payment. The addition of profits due to minorities from subsidiary companies produces equity capital of EUR 279.0 million. The resultant equity ratio of 17.2 percent is equivalent to a rise of almost 0.8 PP on 2005.

Bond issuances improve financing structure

During 2006 we continued to apply the strategy of replacing short-term bank liabilities with long-term bond liabilities, which was successfully introduced in 2005. As a consequence, the rise in long-term liabilities (up by EUR 64.7 million to EUR 572.6 million) was mainly due to the bond issuances in Austria totalling EUR 60.0 million and CZK 200.0 million, part of which was used to effect a reduction in bank liabilities. Short-term financial liabilities of EUR 192.6 million were thereby cut by EUR 34.9 million to EUR 157.7 million. Thanks to the general expansion of business activity, trade creditors also increased by 10.9 percent to EUR 366.1 million. In overall terms, however, the rise in short-term liabilities to EUR 770.4 million was very slight (0.2 percent or EUR 1.6 million).

Owing to changes in the way the balance sheet is compiled, the comparative values for 2005 given in this report do not always correspond to the figures published in the annual report for 2005. To ensure meaningful comparisons, the comparative values for 2005 have been recalculated according to the new grouping used in this report.

In the Group cash flow, the cash flow from earnings fell by EUR 13.3 million compared to 2005 to stand at EUR 63.7 million. This change was mainly due to reduced allocations to long-term provisions and higher non-payment-relevant income from associated companies. Cash flow from operating activities fell by EUR 49.3 million to EUR 14.9 million, principally due to the further EUR 12.4 million increase in trade debtors on the previous year. At the same time, trade accounts payable were EUR 19.7 million below the comparable value of the previous year. Another factor was the sharp reduction in revenue from fixed asset divestment over the current year. Significantly lower proceeds from sales of tangible assets and financial real estate (down by EUR 22.2 million to EUR 26.2 million) as well as financial assets (down by EUR 16.6 million to EUR 8.3 million) were counterbalanced by rising investment in tangible fixed assets and financial real estate (up EUR 15.3 million to EUR 58.2 million). These were the main factors behind the EUR 47.3 million shift in cash flow from investing activities (from minus EUR 4.3 million in 2005 to minus EUR 51.6 million). The bond issuances produced a cash inflow of EUR 67.4 million. Repayments of loans and other means of Group financing totalling EUR 60.4 million in addition to the payment of dividends amounting to EUR 3.5 million and other transactions not affecting payment amounting to EUR 0.9 million produced a cash inflow from financing activities of EUR 2.5 million on balance.

At the end of the fiscal year, liquid funds stood at EUR 67.9 million (compared to EUR 101.6 million in the previous year).

STAFF, THE ENVIRONMENT AND SOCIAL RESPONSIBILITY

Staff

Knowledge and skills as competitive advantages

PORR believes that investment in further education and training provides a critical competitive advantage that helps the company assert itself successfully against rival organisations. Highly trained teams are essential if we are to carry through our corporate strategy of focusing on projects that call for a high degree of expertise. The Group is therefore set up in such a way that the abilities of each individual are promoted, enabling all staff members to fulfil their potential.

Integration of Wibeba

On 1st January 2006, all staff members of WIBEBA became subject to a collective agreement between the management and the works council. As a result, all employees of companies wholly owned or majority-owned by the Group are now integrated within a standard social framework. Central to the agreement are special payments for employees reaching 25 and 35 years of service and pension provision through contributions paid by the Group into a collective company insurance scheme.

PORR Group guidelines on postings abroad

Given the increasing efforts of the Group to expand onto foreign markets, ever greater numbers of employees are being deployed outside of Austria. The management boards of operational companies, the European Works Council and the personnel department have therefore compiled a set of guidelines aimed at creating a standardised framework to govern cross-border activities.

The expansion of the European Union has spurred the expansion of our Group, especially in the region of south eastern Europe. As far as local integration (and re-integration at the end of a foreign posting) are concerned, issues of remuneration, housing provision and support are becoming much more important. A successful posting abroad represents another step in the personal development of individuals and the meeting of new challenges on the part of the Group.

Development of average staffing level

		2006	Change	2005	2004
Domestic	Blue-collar employees	5,865	+4.00%	5,639	5,064
	Salaried employees	2,489	+3.88%	2,396	2,188
	Total	**8,354**	**+3.97%**	**8,035**	**7,252**
Abroad	Blue-collar employees	1,162	–3.81%	1,208	1,233
	Salaried employees	1,099	+10.12%	998	921
	Total	**2,261**	**+2.49%**	**2,206**	**2,154**
Overall	Blue-collar employees	7,027	+2.63%	6,847	6,297
	Salaried employees	3,588	+5.72%	3,394	3,109
	Total	**10,615**	**+3.65%**	**10,241**	**9,406**

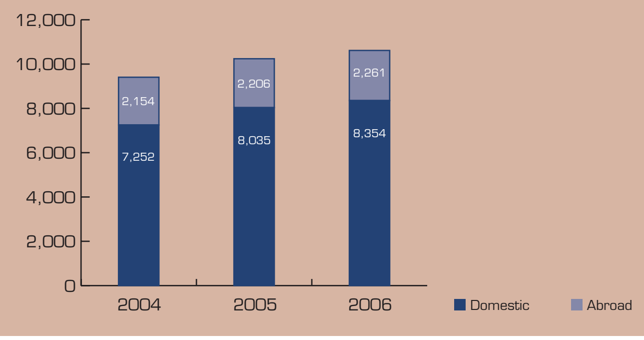
The focus of personnel development

The success of PORR is intrinsically linked to the quality and the commitment of every member of staff. To ensure steady progression, future funds have been established within all Group subsidiaries. These funds are designed to give the next generation of managers the best possible preparation for assuming management roles at home and abroad by means of job rotation.

Mobility gets careers moving

The education and training of all employees revolves around a practical programme of seminars covering a wide range of subjects in the fields of technology, business, IT and personal development. During the 2005/2006 training year, 1,445 employees benefited from further education; working closely with the quality management section, the personnel department thus fulfilled 3,046 requests for training. In addition, numerous staff members, with the approval of their managers, took advantage of individual training measures not included in the general programme. These personalised courses provided excellent coverage of specific subjects such as financing and legal issues.

Development of average staffing level



Recruitment

To maintain the professionalism of the recruiting process, candidates will be able to submit applications online via the PORR web site as from May 2007. A web module (adapted to specific corporate requirements by a reputable e-Recruiting company) will ensure the fast and efficient processing of applicants. This will enhance our image as an attractive employer whilst simplifying and optimising the recruitment of staff. In future, there will be easy access to details of all applicants for a particular position, including correspondence and contact histories. This will make it possible to identify the best possible candidates from a constantly expanding database at the touch of a button.

Sustainability and environmental protection

Within the PORR Group, Porr Umwelttechnik GmbH is a specialist service provider with years of experience in the areas of waste treatment, utilisation and disposal as well as hazardous sites remediation. The company successfully markets these business areas.

The strong emphasis attributed to research and development work – particularly by companies in the environmental technology sector – is underlined every year by the investigations and studies carried out by such bodies as the Austrian Institute of Economic Research. The importance of R&D to PORR UMWELTTECHNIK is clear from its many patents that have been issued and implemented.

High value placed on knowledge and research

In 2006, the Ministry of the Environment awarded PORR UMWELTTECHNIK an environmental prize ('Daphne – Spirit of Environment') for services to sustainability, ecology, the economy and social responsibility in connection with an implemented patent concerning in-situ ground water treatment.

Many current and established innovations of Porr Umwelttechnik GmbH – including the utilisation and treatment of waste by means of physical/chemical wet processing (soil washing), the stabilisation of mineral waste and devices for the in-situ treatment of contaminated ground water – are subject to continual development and improvement on a project-related basis.

Generating economic value through active environmental protection and the development of remedial technology

Thanks to such enhancements and the adaptation of technologies we develop to meet the needs of the technical and commercial sphere, it has been possible to rehabilitate contaminated and unused brownfield sites and reclaim valuable urban land, thereby returning such sites to useful and productive utilisation. This is an approach that we will continue to take.

In 2005, PORR UMWELTTECHNIK put its comprehensive EN 14.001-compliant environmental management system into operation. The system, which has proved highly effective even in its early stages, will be implemented across the Group over the year ahead.

As the company expands its environmental activities in eastern Europe – where investment in environmental protection is set to increase sharply over the next few years in response to the need for compliance with EU guidelines – technology developed by PORR UMWELTTECHNIK will help the various markets meet the challenges ahead.

Social responsibility

The PORR Group pursues a clearly defined philosophy: growth and enhancements to competitiveness must go hand in hand with environmental awareness and social responsibility in our actions. For PORR, sustainable business activity is more than a pleasant-sounding cliché – it is the way we have conducted ourselves for almost 140 years. That's why PORR was able to subscribe to the principles of corporate social responsibility at an early stage, voluntarily and consistently implementing these across all fields of business. The Group took this step out of a sense of responsibility not only to its shareholders, but also its staff members. Ultimately, only companies prepared to do everything in their power to conserve the earth's resources whilst respecting personal and societal values can expect to look forward to a future.

Aiming to balance economy and ecology

In all of its activities, therefore, the stated aim of the PORR Group is to strike an appropriate balance between business and ecological interests, minimise any adverse impact on the resources it wishes to protect (people, water, air and soil) and, in the long term, benefit the environment. Mandatory guidelines to this end are set down in the PORR Group's management manual, which accords with the regulations of quality management standard EN ISO 9001, environmental management standard EN ISO 14001 and industrial health and safety standard OHSAS 18001.

Great emphasis is placed on the promotion of training measures. Needless to say, the safeguarding of training provision and jobs is in the interests of the company, as is a workforce qualified to serve our precise needs. Measures that we have taken in this regard include sponsorship for a lecture theatre at Graz University of Technology, the implementation of a school project aimed at monitoring urban development over a period of three years and backing for an architectural/engineering competition (the Concrete Student Trophy 2006), which was designed to reward the interdisciplinary networking of experts from various specialist areas.

Equality

PORR believes in the equality of the sexes. Although the company operates within the traditionally male-dominated construction sector, PORR is committed to equal opportunities for men and women at all levels. Jobs invariably go to the most suitably qualified candidate, regardless of gender.

Transparency

The transparency of internal activities, as well as those with a public interest angle, is ensured thanks to a range of information and communication measures. Not all activities are aimed at boosting our media profile. Following the disastrous tsunami of December 2004, for example, the Group provided manpower and financial support to assist rebuilding measures; it also supports orphanages in Romania.

RESEARCH AND DEVELOPMENT

One of the biggest research and development challenges at PORR is to create energy efficient buildings. When PORR originally turned its attention to this area, the first step was to analyse the cost-benefit ratios of various technologies. Today, having gained experience in the development of such technologies, PORR installs these in passive houses. Subsequent collaborations with partner companies in the fields of building materials and science led to progress in specific aspects of thermal insulation. Now the focus has switched to transferring these technologies to the construction of energy efficient utility buildings such as offices and shopping centres. In addressing this task, PORR will be able to engage experts in various technical fields, one of the Group's main strengths.

A network of specialists is developing some financially attractive innovations

A network has been set up in which structural engineers, domestic engineers, façade engineers, lighting engineers, specialists in alternative energy generation and structural physicists develop concepts aimed at making the erection and running of energy efficient buildings economically feasible, and thus attractive to investors. These concepts utilise state-of-the-art technology in the fields of heating, climate control, ventilation and façade engineering whilst taking account of alternative energy sources such as terrestrial heat. Traditional approaches such as the utilisation of mass storage units in solid constructions and natural ventilation and lighting are also deployed and optimised. The next objective is to enhance planning processes, ideally putting in place a system of integrated planning that revolves around energy efficiency – from the initial drafts of an architect to building management and façade construction.

Alongside energy efficiency, the economical deployment of building materials is another critical aspect of sustainable construction. To this end, a project has been launched to develop new forms of reinforcement for application in reinforced concrete construction. The aim is to cut down on the amount of steel needed by utilising made-to-measure reinforcement with a high degree of prefabrication. Another development already finding practical application involves innovative designs for bridge decks made of concrete, whereby surface thickness can be reduced through the adhesion of modern sealing systems to the supporting structure and deck. This system not only saves building material, but also cuts down on maintenance and repair work.

The Group's research activities are coordinated by the technology development department, which also organises the Research and Development Information Network for the Group. In 2006, the department was intimately involved in the organisation of the Austrian Construction Technology Platform, which is aiming to establish a network of communication between the construction industry and related research bodies. Above all, this will enable the industry to define the developments that it believes are essential if we are to meet the economic, social and ecological demands of the decades ahead. These research priorities will then be integrated into national and European research promotion programmes. PORR will thus have a chance to get involved in pioneering developments at an early stage, thereby securing economic success through technological leadership.

RISK MANAGEMENT

As an integrated construction and service provision organisation, the PORR Group recognises the many risks that necessitate a system of continuous risk management.

Ongoing development of the risk management system

A value-oriented early warning system aimed at identifying classic operational risks was implemented across the Group in fiscal year 2005. The system was enhanced in 2006 with the addition of rigorous receivables management and efficient legal controlling. During 2007, the company intends to make its management of currency and interest rate risks more professional, whilst introducing standardised processes for the assessment and management of risks linked to changes in raw materials prices and the appointment of subcontractors.

Risk management in the PORR Group is geared towards the early identification and management of risks within business processes.

The principles of risk management

PORR regards risk management as an integral element of its corporate activities designed to maintain the positive development of the financial position and earnings situation and thereby raise the value of the PORR Group as a whole over the long term.

Risk management at PORR means:
– the deliberate, active and controlled management of risks
– evaluation of the risks and opportunities associated with a decision
– taking steps to circumvent specific risks

The process of risk management

The risk management process ties together all activities concerned with the continuous and systematic management of risks. In particular, the process involves the identification, analysis and evaluation of risks, control mechanisms designed to circumvent risks and the operational monitoring of progress.

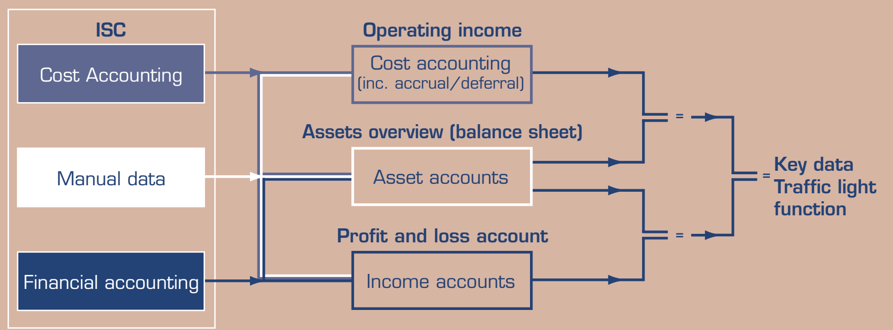
The existing reporting structure guarantees that members of the Executive Board and divisional management boards have access to full and transparent information. The system incorporates annual budgetary planning and monthly target/actual comparisons. Within specific organisational units, the actual situation is analysed and compared against target values derived from annual planning. The effects of any pinpointed deviations are closely monitored.

Actual situation regularly analysed and compared against target values

An early warning system has also been implemented. This is designed to provide early indications of any negative developments on the basis of past trends in certain indicators relating to budgeting, cost accounting, the profit and loss account and the balance sheet. As experience is gained, the parameters of the system are continually adjusted and fine-tuned.

Regulations that are mandatory for all Group companies are summarised in a quality management manual. Regular audits are carried out to verify compliance with these provisions in accordance with ISO 9001. The internal auditing department – which maintains classification systems and regularly reviews the economic viability of processes as well as audit compliance – is critically important.

Integrated diagram showing assets and revenue flow during the year



Key risk areas affecting the business of PORR and its subsidiaries and associated instruments of risk management

Strategic/planning risks
Strategic planning is an integral part of annual business planning.

Acquisition and disinvestment risks
Acquisitions and major investment plans are assessed separately as strategic risk factors that do not arise within normal operational activities. The process flow of M&A transactions is governed by a set of Group guidelines issued early in 2007.

Project-related/operational risks
For reasons of complexity, the efficient management of operational risks (at both the bidding and project processing stages) is the most significant challenge facing PORR. The issue is central to the economic development of the Group. In addition to a generally applicable Group quality management manual, each business area of PORR must comply with certain (specifically expanded) stipulations. Risk analysis and risk hedging concepts (such as the assessment of technical, warranty, non-payment and currency risks) form an integral part of costing for every order and are updated quarterly. Projects associated with specific risk indicators must be presented to the Executive Board prior to tendering. The progress of projects is constantly monitored at holding level, and particularly closely as part of project monitoring activities performed by the corporate areas.

Dual control principle ensures quality in decision-making

Some projects are also monitored during performance by internal auditing. As far as internal monitoring is concerned, the dual control principle is consistently applied.

The insurance business of the Group (including control and monitoring of the Group's policy concerning insurance) is handled by a separate competence centre. The adequacy of insurance cover in relation to insurable, existential natural hazards and liability risks is ensured by central insurance management.

Availability risk of required resources
The rising demand for construction services and the associated requirement for raw materials can produce shortages that drive up commodity prices. To minimise this risk, strategic shareholdings in companies with appropriate levels of personnel, equipment and material resources are agreed and expanded. At the same time, efforts are made to build stable and lasting relationships with suppliers and subcontractors.

Payment risks/default risks
In some sectors, construction contracts require an advance payment by the general contractor which will not be covered by payments until a later date. For safety's sake, an extensive creditworthiness check of the project sponsor is carried out prior to acceptance of the contract, and adequate sureties are agreed.

Financial risks (Group treasury)
The management of risks in the financial field (and particularly liquidity risks and interest rate/currency risks) is governed by standard Group guidelines. An internal control system designed around current requirements has been implemented to monitor and control risks linked to money market and foreign exchange trading.

All interest rate/currency risk hedge transactions are performed centrally by the Group treasury, unless in specific cases other Group companies are authorised to conclude transactions outside the Group treasury. All Group treasury activities are subject to strict risk/processing control, the cornerstone of which is the complete functional separation of commerce, processing and accounting.

Complete final functional separation of commerce, processing and accounting in the Group treasury

Foreign currency risks are handled on a transaction basis within the PORR Group. According to the particular balance sheet currency of the Group unit processing an order, efforts are initially made to conclude service agreements in the corresponding currency (to the extent that the services to be rendered are generated locally). Where this is not possible or services need to be provided in other currencies, the resultant risk is covered by means of hedge transactions. As far as derivative financial instruments are concerned, the Group treasury mainly utilises foreign exchange forward contracts (see also Notes to the consolidated accounts no. 37).

The interest rate risk affecting the Group is defined as the risk of rising interest cost or falling interest income in connection with financial items. Any future hedge transactions that are required will be concluded by the Group treasury.

Personnel risks

Given the gulf in salaries between western Europe and the new EU countries that acceded as part of eastwards expansion – and the continuing positive climate surrounding the construction market in Europe – vast numbers of skilled construction workers are leaving eastern Europe. PORR wishes to minimise fluctuation in the staffing area, prevent the loss of key qualified personnel and retain individual expertise whilst ensuring key members of staff can develop. The company has therefore put in place institutionalised measures and regulations geared towards certain business activities. Based on regular analyses of training requirements, these include qualification programmes for the next generation of managers, and further education and training initiatives. The measures are supported by a system of performance-related pay.

Minimal fluctuation through targeted personnel management

Risks in the IT area

The focus of attention is this area is on data security, system compatibility, secure access, reliability and the efficiency of IT processes. A separate administrative unit is responsible for managing IT activities across the Group and defining an organisational framework.

Risks in the corporate governance area

Subsidiaries are managed with maximum efficiency thanks to standardised rules of procedure for their administration, backed up with standardised agendas for supervisory board meetings and standardised Group reporting. The Group auditing department regularly inspects the internal monitoring system and carries out spot checks on all subsidiaries.

FORECAST REPORT

Economic development

The dynamic development of the global economy is likely to continue in 2007, although the pace may ease temporarily. Growth will be broadly equal for the USA, the EU and Japan. Gross domestic product will rise sharply in the eurozone. The capacity utilisation achieved by the end of 2006 in the industrial sector will also remain well above long-term average levels. As was the case last year, labour as a resource will continue to grow increasingly scarce. Although the greater utilisation of resources in the eurozone could encourage an upward price trend, there is no apparent danger of acute inflation. However, the high prices of commodities and oil around the world and the political situation will pose an identical risk to economic growth in 2007.

The construction industry

Construction industry in Europe sustains above-average pace

During 2007, fortunes will vary considerably for the international construction industry according to region. Although growth will slow marginally in the eurozone, construction activity is expected to drop substantially in the United States. Expansion will remain strongest in central, eastern and south eastern Europe, India and China. The continued recovery of the German economy will be critical to the construction industry in Europe.

In order to carry on meeting the enormous demand for public infrastructure construction – despite limited public sector funds – experts are calling for a new division of labour between the state and private business. Public-private partnerships are one alternative to conventional financing and are already being successfully utilised in some European countries.

Massive growth potential in CEE region

The investment failings of the past have created a massive backlog in the areas of infrastructure and residential and industrial construction in the CEE states. Having pinpointed the growth potential of these markets at an early stage, Austrian building firms are now generating a significant proportion of their turnover through large-scale construction projects in central, eastern and south eastern Europe. In Austria itself, it is residential construction that is driving the sector alongside substantial investment in the expansion of infrastructure. Following years of stagnation, investment increased sharply again in 2006, a positive trend that is set to continue in 2007 and throughout the years ahead. According to expert forecasts, residential construction activity will, on average, expand by more than gross domestic product until 2011 (3.2 percent annually compared to 2.5 percent). Residential construction will therefore represent a significant benefit to the economy as a whole.

Development of output in first quarter 2007

Construction sector benefits from warm winter

Thanks to the unusually favourable weather at the start of the year, production output of EUR 223.3 million for the first two months of 2007 exceeded the previous year's value by around 33 percent. Of this figure, approximately 61.5 percent (EUR 137.4 million) was accounted for at home and 38.5 percent (EUR 85.9 million) was generated abroad. The dominant sector for the PORR Group was building construction, which contributed 48.3 percent (EUR 107.9 million); civil engineering accounted for around 30.3 percent (EUR 67.6 million).

Output forecast and earnings situation in 2007

Business development to remain positive

Although the global economy is set to slow marginally, the market environment will remain generally receptive. The PORR Group therefore expects its positive business development to continue. The consistent application of a forward-looking strategy will enable the Group to capitalise on considerable growth potential during the year ahead; by raising competitiveness, the Group will consolidate and improve its healthy position on a number of markets. The PORR Group is aiming for production output of approximately EUR 2.6 billion in 2007, which would exceed the 2006 value by around EUR 300 million or 13 percent. Given the Group's strategy of focusing on the opportunities of in central, eastern and south eastern Europe, the growth in production output will be restricted almost exclusively to this economic zone. During 2007, the PORR Group expects to break the billion-euro barrier for the first time as regards production output generated abroad; the high level will also be maintained at home with a volume of around EUR 1.6 billion.

PORR entered the current fiscal year with an excellent balance of orders. Since the economic forecast remains bright for the EU economic zone (which will remain the company's defining market), PORR will seek to improve its earnings situation once again. The Group will thereby expand and apply its cost management whilst paying greater attention to sectors offering significantly higher yield, such as project development for building construction and civil engineering.

Current orders situation

Order balance hits record level

During the first two months of 2007, the excellent order balance (which exceeded EUR 2 billion at the end of the reporting year) was improved still further in spite of a slight downturn in order receipts compared to 2006. In February 2007, a new record level of EUR 2,241.7 million was reached, exceeding the previous year's value by EUR 379.4 million (equivalent to 20.4 percent). The order balance was split between domestic orders (62.5 percent) and orders abroad (37.5 percent).

PORR branch offices

As of the balance sheet date, PORR AG maintained branch offices in Vienna, Lower Austria, Burgenland, Upper Austria, Styria, Salzburg, Carinthia, Tyrol and Vorarlberg (with the company form 'Branch Office') as well as Maribor in Slovenia. These offices (with the exception of Maribor) are merely concluding outstanding work and are no longer involved in operational activities. In line with Group strategy, all other activities have been transferred to the new branch offices of Porr GmbH.

DISCLOSURE ACCORDING TO ARTICLE 243a OF THE COMMERCIAL CODE

1. The equity capital comprises 1,341,750 ordinary shares and 642,000 7%-preference shares without voting rights. All shares are no par value bearer shares, each of which participates equally in the equity capital of EUR 14,416,473.48. As of the balance sheet date, all 1,983,750 shares were in circulation (previous year: 1,983,750).

   The same legally standardised rights and obligations apply to all ordinary shares. In particular, ordinary shares confer voting rights (exercised according to the number of shares) and participate equally in profit and, in the event of winding up, in the remaining liquidation proceeds. In accordance with Article 22 of the company statues, voting rights begin with the rendering of the minimum legal investment where shares are not fully paid in. The equity capital of the company is fully paid in.

   Identical rights and obligations also apply to preference shares. In line with legal provisions, the company's preference shares do not confer voting rights.

   The right of shareholders to the securitisation of shares is excluded.

   The company has also issued profit participation rights in the form of 49,800 capital share certificates with a total value of EUR 361,910.71. Where the company raises capital by issuing new shares (granting direct or indirect subscription rights to the shareholders) and/or issues additional capital share certificates, other profit participation rights, other securities with subscription rights or adjustment/convertible bonds, the holders of capital share certificates, through the granting of proportionate subscription rights or other measures at the discretion of the company, must be in a position to retain the economic substance of the rights to which are they entitled. This does not imply subscription rights for new shares, even where the company is able to grant such rights.

   Before the ordinary shares, preference shares and capital share certificates receive a preference dividend or profit share amounting to seven percent of the proportionate due capital paid to them. If the preference dividend or profit share of the capital share certificates is not paid (or not paid in full) for one fiscal year, the arrears from the balance sheet profit for the following fiscal years must be paid subsequently. In the event of liquidation, the holders of capital share certificates followed by the holders of preference shares receive any outstanding profit shares from remaining liquidation proceeds along with the proportionate amount of the capital due to them. Ordinary shareholders receive the proportionate amount of the capital due to them. Any remaining liquidation proceeds are distributed to holders of capital share certificates and the shareholders in relation to the number of capital share certificates or shares.

2. The Executive Board is aware of the syndicate contract concluded between the shareholders named under point 3. The content has not been disclosed to the Executive Board.

3. The following shareholders have a direct or indirect holding in the capital of at least 10 percent in the form of ordinary shares:

B&C Group:	45.5 percent
Ortner Group:	29.4 percent
Wiener Städtische Versicherung AG:	10.1 percent

The B&C Group is made up of B&C Baubeteiligungs GmbH and B&C Unternehmens-beteiligungs GmbH, both of which are wholly and directly attributed to the B&C Privatstiftung foundation. A small amount of Ortner Group shares is personally held by Mr. Klaus Ortner; the majority is held by Ortner Beteiligungsverwaltung GmbH, which is attributed to Mr. Klaus Ortner.

Given the fact that only a very small number of preference shares is furnished at company annual shareholders' meetings, it is not possible to offer reliable statements regarding the shareholder structure for this share category.

4. The company has no shares with special rights of control.

5. The company has no employee share ownership plans, under which employees do not exercise voting rights directly.

6. In accordance with Article 21 section 1 of the company statues, resolutions of the annual shareholders' meeting, unless otherwise defined by mandatory provisions of the Stock Corporation Act, are passed by simple majority. From the legal viewpoint of the Executive Board, this statutory regulation has reduced the necessary majority of at least three quarters of the equity capital represented in voting as required by the Stock Corporation Act (also for changes to the statutes) to a simple capital majority.

7. Above and beyond the direct legal provisions, Executive Board members are not specially authorised to issue or repurchase shares.

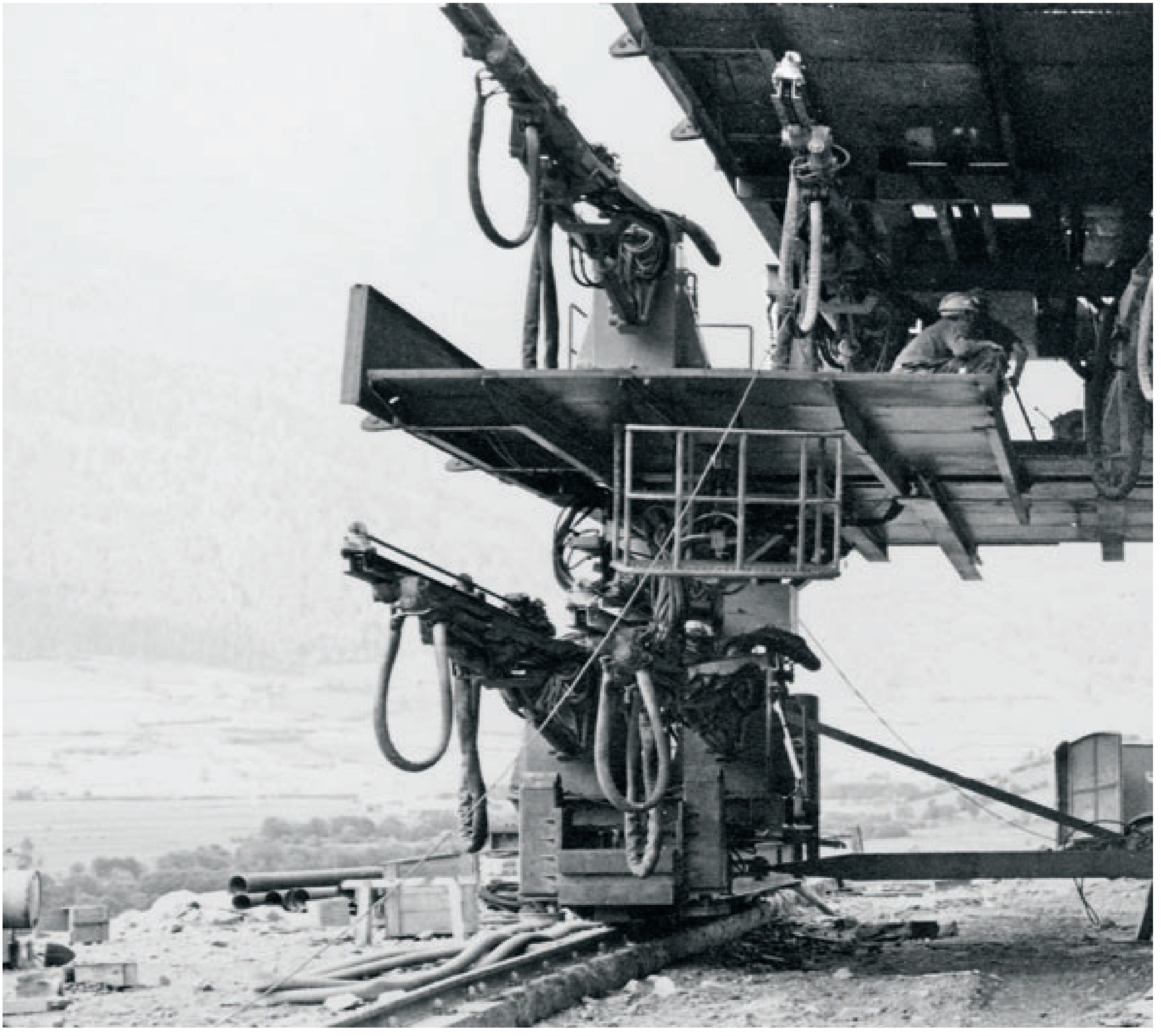
8. In 2006, the company issued bonds (debentures) of EUR 60,000,000 and CZK 200,000,000 (for the period from 2006 to 2011). These incorporate the following agreement: where a change of control takes place which seriously impairs the ability of the issuer to meet its obligations in connection with the debentures, every bond creditor shall be entitled to effect maturity of the debentures and demand immediate reimbursement at the nominal amount, including interest accrued up to the date of repayment.

   As beneficiary, the company also concluded a framework guarantee credit contract for EUR 600,000,000 during 2006. Under this contract, the agent and the individual lenders are entitled immediately to rescind the respective shares of the framework tranches and demand security where one or more persons (not Group companies) attain a controlling holding as defined in Article 22 of the Takeover Act in the beneficiary or a major Group company.

   There were no other significant agreements under the terms of Article 243a line 8 of the Commercial Code.

9. Indemnification agreements under the terms of Article 243a line 9 of the Commercial Code shall not apply.

We build tunnels



Underground triumphs

Tunnels take us to places we couldn't otherwise reach. We dig down into the depths of the earth, and emerge in new worlds. To work beneath mountains, rivers and cities takes courage, experience and expertise. In the end, every tunnel is a triumph of technology.

Drill carriage used on the Tauern tunnel in the 1970s

Facts and figures

Business development

Although the production output of the PTU Group decreased marginally during the year under review, earnings before interest and taxes rose by a considerable 22.2 percent. Production output decreased most markedly outside of Austria. By contrast, an increase in the level of orders of over 64 percent as of the end of 2006 propelled the order balance to a new record high and gave grounds for optimism.

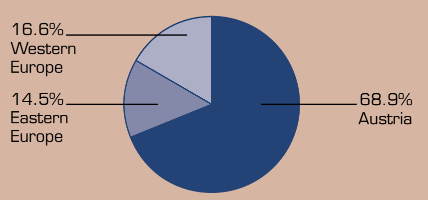
Key data concerning the PTU Group

	2006	Change	2005	2004
Production output in EUR million	855.3	–2.9%	880.9	677.8
Foreign share	31.1%	–7.5 PP	38.6%	34.2%
Order balance at year end in EUR million	1,092.8	+64.6%	663.8	726.5
Ø Staffing level	3,988	+12.0%	3,562	3,428

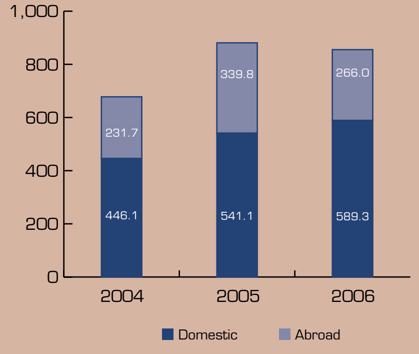
Key financial data

In EUR million	2006	Change	2005
Production output	855.3	–2.9%	880.9
Of which abroad	266.0	–21.7%	339.8
EBIT	17.6	+22.2%	14.4
Investments	46.7	+166.9%	17.5
Segment assets	1,341.1	+3.8%	1,291.5
Segment liabilities	1,049.3	+5.0%	999.5

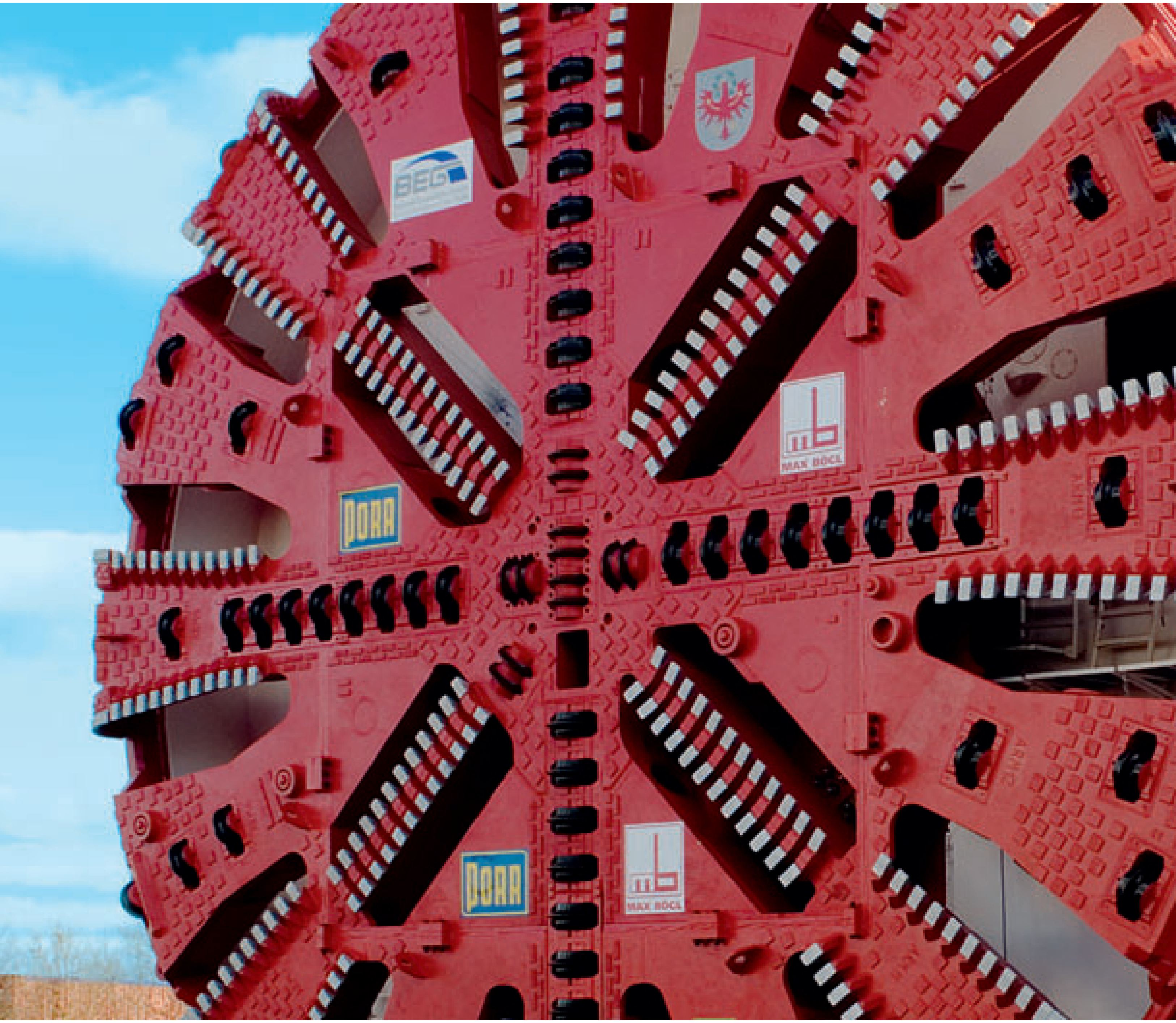
Production output in 2006 domestic and abroad in %



Production output in 2006 domestic and abroad in EUR million



CIVIL ENGINEERING SEGMENT/ THE PTU GROUP
Porr Technobau und Umwelt AG



Unseen achievements

Carrying out construction work underground demands experience, know-how and precision. A huge effort is needed to build and maintain a tunnel – but the effort is worthwhile. Where used as transport connections, tunnels reduce not just the distance between two points, but also our impact on the environment.

Slurry shield tunnelling machine used on the Münster-Wiesing project unit in the Tyrol, 2007

Current reference projects

1 Wienerwald tunnel (west), Vienna
2 Freiham bridge, Germany
3 Aubing tunnel, Germany
4 Pfaffenau incinerating plant, Vienna
5 Danube bridge at Krems, Lower Austria

Civil engineering segment/ The PTU Group

COMPANY PROFILE

Porr Technobau und Umwelt AG (PTU) carries out the PORR Group's civil engineering activities in the fields of engineering construction, environmental technology and resource management. Working in partnership with Porr Solutions Immobilien- und Infrastrukturprojekte GmbH, these areas also deliver a specialisation in operator and franchise models. The close cooperation between national specialist departments and regional cross-sector branch offices underpins technical leadership, regional presence, successful acquisition and the effective processing of construction orders. Taken together with a highly motivated workforce and high standards of quality, the company has a secure foundation on which to build its successful business operations.

Rising demand for provider and franchise models

The broad expertise of the company extends to the sectors of railway, bridge, power plant, tunnel, underground railway and transport construction as well as foundations, environmental technology and prestressing technology. Operator and franchise models linked to road building, waste disposal and various plant engineering projects are increasingly rendered on a national basis, whilst also being offered in Austria. Existing stone, gravel and disposal site resources guarantee market opportunities well into the future and cut down market dependence.

The growth strategy of Porr Technobau und Umwelt AG essentially constitutes a long-term expansion of core business together with the cautious, deliberate development of markets in central, eastern and southern Europe

Priorities are unchanged: to maintain the company's high quality standards and maximise market opportunities by consistently educating and training staff and adapting our organisation as regards operations and commercial law. The joint development of new markets by PTU and PPH has proved successful and will continue.

Executive Board members, left to right: Ing. Alfred Sebl-Litzlbauer, Dipl.-Ing. Stephan Gillich (chairman), Mag. Alfred Jahn and Dipl.-Ing. Johannes Dotter

Changes for 2006:
Dipl.-Ing. Heinz Gschnitzer
(to 28th March 2006)

SERVICE PORTFOLIO

Engineering construction

Engineering construction services are rendered regionally through the Vienna office and Porr GmbH. On a national level, services are delivered by the national civil engineering department on the one hand and PTU subsidiaries abroad on the other. The national civil engineering department operates in the areas of underground railway, motorway/expressway, bridge, industrial and power plant construction. During 2006, operations focused on building construction works for the Pfaffenau incinerating plant and underground railway construction in Vienna; a strong emphasis was placed on project units U2/6 (Donaumarina) and U2/10 (Aspernstrasse). The Vienna branch office performs the full range of regional engineering construction and municipal civil engineering work for Vienna and the surrounding area. Orders cover everything from bridges, garages and industrial plant to sewers, district heating pipelines and sound barriers. Major contracts acquired in 2006 (some of which were performed as joint ventures) concerned the securing of the W7 Pilzgasse hazardous site, major renovation work on the A2 Gleissenfeld, the widening of the A4 Ostautobahn and the Theodor Körner Hof sound barrier.

The PTU Group is renowned for its broad service portfolio

Railway construction

The railway construction department carries out railway-related construction work on railway bridges, underpasses, stations, substructure and track. The 'reinforced track' system developed by Austrian Federal Railways (ÖBB) and PORR is a technological development in which embedded monoblock sleepers are enclosed in rubber. The concept was most recently deployed in the Lainzer tunnel project. In 2006, the focus of activity remained on various ÖBB contracts in east Austria, track construction work on the Vienna underground railway system and the Vienna Transport Authority. One of the greatest technical challenges was the renovation of the Danube bridge at Krems, made necessary by a barge train colliding with the central pier. Another contract carried out in Bosnia during reporting year 2006 concerned the secondary drainage of the Jedrinje tunnel.

Specialist civil engineering

The foundations department is responsible for specialist civil engineering services such as bored piles, diaphragm walls, sealing walls, drilling/injection work and pile driving. Numerous projects at home and abroad were initiated and completed during 2006, most notably bored pile foundations for underground railway project units U2/6 and U2/10 in Vienna, diaphragm wall work for underground railway project unit U3/3 in Munich and the production of sealing diaphragm walls for securing the Pilzgasse hazardous site in Vienna. Expertise in this area was also applied to foundations work on a new pier for

1

2

3

1 Runway tunnel at Vienna's Schwechat Airport
2 Metro 4 Tetenyi underground railway station, Budapest
3 Buried cooling water pipe for the Boxberg power station, Germany

the ÖBB Danube bridge at Krems. Work in central, eastern and south eastern Europe is managed and completed in partnership with the relevant PTU regional subsidiaries.

Significant growth rates for tunnel construction

Tunnel construction

The market for tunnel construction in Austria and Switzerland continues to grow rapidly. In the years ahead, significant investment is likely to pour into expansion of the road and rail network as well as energy supply initiatives. Porr Tunnelbau GmbH is ideally placed to perform tasks in all underground mining sectors. In 2006, two hard rock tunnel boring machines were used on the Wienerwald project to create over 11,000 metres of tunnel at a rate of up to 52 metres per working day. For the Münster-Wiesing tunnel at the Unterinn valley in the Tyrol, a slurry shield tunnelling machine with an outside diameter of 13.04 metres is in use - the largest such machine ever deployed in Austria. Numerous other orders were undertaken in 2006, and tunnel driving work began for the second tube of the Tauern tunnel.

Environmental technology

Porr Umwelttechnik GmbH remains capable of delivering the broadest possible range of services in the waste management sector, including project development, hazardous sites remediation, disposal/utilisation concepts and related clearance services. The company also runs waste treatment plants (such as those for physical/chemical wet processing), stabilising units and disposal sites. The plants, which operate to high technical standards, are managed either solely by PTU or in partnership.

A shareholding undertaken in 2006 has ensured future access to additional resources in the area of soil excavation and construction and demolition waste disposal sites. The activities of Porr Umwelttechnik GmbH in central, eastern and south eastern Europe are also meeting with success, a trend that will be maintained and accelerated over the years ahead.

Resources

Schotter- und Betonwerk Karl Schwarzl Betriebsgesellschaft m.b.H., a wholly-owned subsidiary of PORR under the industrial management of PTU, ensures our independence from external resources of stone and concrete to a large extent. SCHWARZL is an important company in this field, operating as it does five quarries and three gravel pits in Austria, four gravel pits in Germany and 15 concrete manufacturing plants in Austria, Hungary and Croatia. To ensure preparedness for future large-scale construction projects, applicable quarrying permits are regularly extended or supplemented prior to expiry; where this is not possible, new locations are sought. The search for raw materials was intensified in south eastern Europe during 2006.

1 Construction of the Rüteli cut-and-cover tunnel, Switzerland
2 Limberg II, extension to the Kaprun power station, Salzburg
3 Extension to the Studen Kladenetz power station, Bulgaria

GEOGRAPHICAL PRESENCE

Austria

Porr GmbH – which has branch offices in Lower Austria, Upper Austria, Salzburg, Tyrol, Styria and Carinthia – has developed extremely positively since 2005. As the company is jointly managed by PTU and PPH, Porr GmbH operates as a cross-sector company for building construction and civil engineering in Austria. To an extent, the company also engages in intensive construction-related project development. Efforts to improve cooperation between branch offices have paid off handsomely. During 2006, the company secured promising major orders such as the Böheimkirchen bridges and the Schwanenstadt bypass. Work also progressed satisfactorily on the construction of stadia in Klagenfurt, Innsbruck and Salzburg for the 2008 European football championships.

Vorspann-Technik GmbH & Co. KG (VT) also enjoyed a successful 2006, with production of type VT-CMM unbonded tendons running at high capacity. European Technical Approval for the bonded post-tensioning system was granted at the end of last year. In order to cut production costs of double extruded band tendons for external post tensioning, a new type of band tendon is scheduled for development this year. This will then be productively deployed if, as we expect, demand increases for bridge renovation and reinforcement.

Germany

During 2006, the construction market turned the corner in Germany, with demand for building services starting to pick up. In view of the low pricing level, however, the economic situation must still be regarded with caution. For this reason, Porr Technobau und Umwelt GmbH, which has offices in Berlin and Munich, only considered bids for specific, technically complex projects linked to engineering construction and power plant construction. In keeping with the Group strategy of placing earnings growth above sales growth, the company also sacrificed sales in favour of profitability. The same approach was taken by Betzold Rohrbau GmbH & Co. KG, which operates in the fields of gas, hydraulic, district heating and pipeline engineering from its base in Nuremberg.

Switzerland

Despite the market situation in Switzerland, which left much to be desired, PORR SUISSE AG has developed positively. As in 2005, market activities in central Switzerland centred on the Portaldach Hergiswil construction site and tunnel renovation work for KW Wassen; the general contracting department focused on the Oftringen retirement/nursing home project.

Hungary

In 2006, a 58.6-kilometre section of the M6 motorway from Budapest to Dunaúváros was completed and handed over. Other major projects were acquired in the civil engineering area during 2006. These included project units 2 and 3 for the M0 ring road around Budapest and project units for the M7 motorway and two stations on underground railway line 4 in Budapest. Porr (Budapest) Építési Kft. and Porr (Hungária) Magasépitési Kft. successfully merged to form Porr Építési Kft. during the reporting period.

Eastern and south eastern Europe

Business activity in the countries of south eastern Europe expanded steadily in 2006. Large-scale civil engineering contracts were acquired in some states; these concerned the extension of the Studen Kladenetz power plant in Bulgaria, the VIP-net project in Croatia and the M2 motorway (Podgorica–Kolasin) in Montenegro. In addition, two bridges were erected in Poland and a chipboard factory was built for the Egger group in Romania. In Bosnia-Herzegovina, a strategic partnership aimed at the cost-effective construction of hydroelectric power plants was agreed, and PTU pre-qualified for two motorway projects. Bids were also invited for a number of projects in the fields of infrastructure (road and railway construction), power plant construction and waste disposal site construction. Protracted negotiations were still going on at the end of the reporting year.

COMPETITION

Competitive advantages thanks to technical collaboration at supra-regional level

The main strength of the PTU Group is the effective cooperation between national specialist departments and regional offices. It is this collaboration that ensures successful acquisition as well as the efficient processing of construction orders to the quality levels and deadlines demanded by clients. Given the expertise of their staff, the national departments also ensure that subsidiary companies are soundly established on new markets. The company can rely on good prices for commodities as well as secure access thanks to resource management.

The revival of the construction industry across large parts of Europe and the substantial infrastructure backlog in central, eastern and south eastern Europe offer significant business potential for the future. Provided the economic trend continues, large-scale industrial investment can also be expected. The construction industry in Europe received a boost in 2006 from lower inflation, healthy corporate profits and stronger demand. Construction activity for PTU also developed satisfactorily owing to high domestic demand and dynamic construction activity in central and south eastern Europe (spurred by significant investment in infrastructure). The company successfully pursued its strategy of selective


1


2


3

growth on new markets, making considerable advances in terms of market presence in a number of states of the former Yugoslavia as well as Romania. Although insecurity over the price trends of primary energy sources had no significantly adverse impact on economies, further price rises for mineral oil and electricity could affect the future profitability of the PTU Group.

Massive backlog for infrastructure building in central, eastern and south eastern Europe

CUSTOMER BENEFIT

By offering customers country-wide support through regional branch offices, PTU is gaining a sound understanding of local conditions which in turn enables it to respond quickly to customer needs. The company's expertise means that it can design and deliver high-quality constructions at locally attractive market prices according to schedule. At all times, branch offices have access to the specific civil engineering know-how of the national organisations. As a result, customers can benefit from complex specialist civil engineering procedures at a viable price as well as project development and financing (including PPP models).

OBJECTIVES FOR 2007

PTU will continue to operate within all civil engineering sectors in Austria and Germany. The company will also aim to attract more orders in the core areas of railway construction, energy engineering, power plant construction, tunnel construction and transport construction in central and south eastern Europe. In this way, the company hopes to profit from demand levels on these markets, which are being driven up by the substantial infrastructure backlog. PTU plans to raise its sales steadily on these markets whilst improving its earnings situation. At the same time, the company will aim to open up new markets in these countries in the areas of resources and environmental technology.

Acquisitions planned in the expanding regions of Europe

1 A2 Schwechat sound barrier, Lower Austria
2 Construction of U2 Aspern underground railway station, Vienna
3 Renovation of Mühltal sewer, Germany

We build houses

Contentment within four walls

The place we feel most at ease is within our own four walls. Nothing can match the sense of pride and security that we derive from owning a house. No wonder people over the centuries have sought to build ever larger, taller and more stable houses. After all, a house is more than just the focal point of our own space: it also shows the outside world how we live our lives.

'Gender towers' at San Gimignano, northern Italy, dating from the 12th and 13th centuries

Facts and figures

Business development

Although the production output of the PPH Group expanded by 10.2 percent in 2006, the EBIT fell by 28.1 percent. At the end of the year, the order balance had risen by 27.1 percent compared to 2005 to stand at EUR 575.6 million – a value almost equivalent to production output for a year.

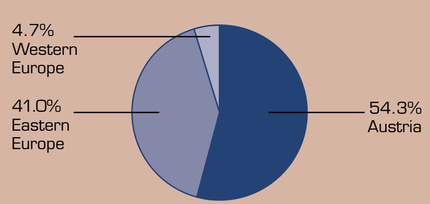
Key data concerning the PPH Group

	2006	Change	2005	2004
Production output in EUR million	649.9	+ 10.2%	589.7	465.0
Foreign share	45.7%	+ 4.1 PP	41.6%	48.8%
Order balance at year end in EUR million	575.6	+ 27.1%	452.8	414.7
Ø Staffing level	1,834	– 1.8%	1,867	1,397

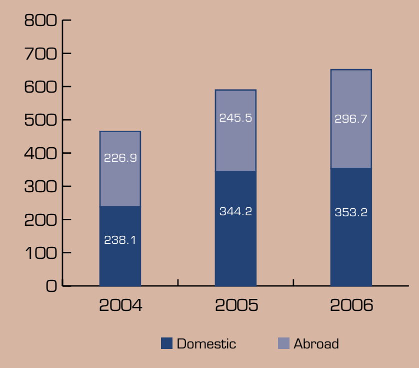
Key financial data

In EUR million	2006	Change	2005
Production output	649.9	+ 10.2%	589.7
Of which abroad	296.7	+ 20.9%	245.5
EBIT	6.9	– 28.1%	9.6
Investments	5.6	– 13.8%	6.5
Segment assets	725.3	+ 9.2%	664.4
Segment liabilities	661.0	+ 8.5%	609.0

Production output in 2006 domestic and abroad in %



Production output in 2006 domestic and abroad in EUR million



BUILDING CONSTRUCTION SEGMENT/ THE PPH GROUP
Porr Projekt und Hochbau AG

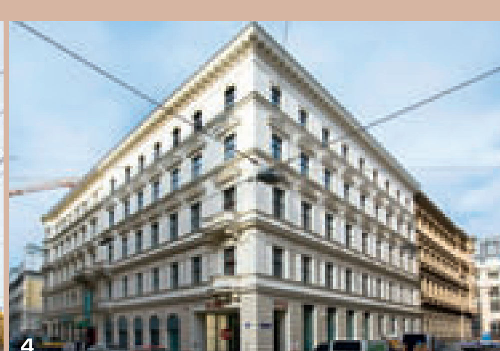
The third dimension of expertise

Space is a precious resource that must be utilised effectively. That's why, more than ever before, houses are reaching for the sky. Modern architects are striving to create comfortable, efficient buildings that retain their value. Our challenge is to meet the real needs of people.

Skyline of Vienna's 22nd district

Current reference projects

1 Residential construction at Monte Laa, sites 8.1 and 8.2, Vienna
2 Rossau barracks, Vienna
3 Franz-Jonas-Platz residential/office building, Vienna
4 Major renovation of Hegelgasse 4 office building, Vienna
5 Expansion of Warsaw School of Economics



Building construction segment/ The PPH Group

COMPANY PROFILE

Porr Projekt und Hochbau AG (PPH) draws together the building construction expertise of the PORR Group. The company performs the full range of activities in this area, including turnkey construction services, project planning and project development. Working with other Group companies, highly qualified staff cover the fields of high-rise construction, hotel/residential construction and office/industrial construction as well as refurbishment, rehabilitation and restoration work.

SERVICE PORTFOLIO

Technical expertise and adherence to deadlines

The PPH Group operates in a wide range of business fields, although the sectors of office and commercial buildings and residential building have dominated in recent years. Other services include industrial plant construction, the construction of sports and leisure facilities, hospitals and clinics and thermal facilities and the rehabilitation, refurbishment and restoration of old buildings. Through technical expertise and strict adherence to deadlines, the PPH Group has established itself as a reliable partner – not just on its home market of Austria, but also in Germany and throughout central, eastern and south eastern Europe.

Project planning

Comprehensive architectural and structural design planning is a key prerequisite in problem-free building construction. To maximise the benefit to the customer, project planning support is provided at the earliest possible stage. This is an area in which the PPH Group can point to a range of expertise spanning everything from design through the economic assessment of a construction task to support in the running of a building.

Executive Board members, left to right: Dipl.-Ing. Bernd Gaiswinkler, Dipl.-Ing. Stephan Gillich (from 29th June 2006, chairman from 29th June 2006), Mag. Rudolf Krumpeck (from 10th January 2007), Dipl.-Ing. Nikolaus Pervulesko and Dipl.-Ing. Dr. Franz Scheibenecker (from 31st July 2006)

Changes for 2006: Dipl.-Ing. (HTL) Johann Hödl (to 18th July 2006), Dr. Bertold Wild (to 31st December 2006)

Project development

Porr Solutions Immobilien- und Infrastrukturprojekte GmbH – in which PPH AG holds a share – controls project development tasks for the PORR Group. Our know-how, specialist expertise and consistently collaborative approach maximise the level of benefit not just for customers, but also for the company.

GEOGRAPHICAL PRESENCE

Around half of output is generated outside of Austria

At the present time, the PPH Group generates around half of its output volume in Austria. However, significant output volume is produced in Germany, Poland and the Czech Republic. The Group is also active in Croatia, Slovakia, Slovenia and Hungary, and added Romania and Bulgaria to this list in 2006; working with affiliated company Porr Technobau und Umwelt AG, joint subsidiaries were set up in these countries. In this way, local presence will be established, with initial projects serving to maximise market penetration. Selective expansion of this kind accords with overall Group strategy.

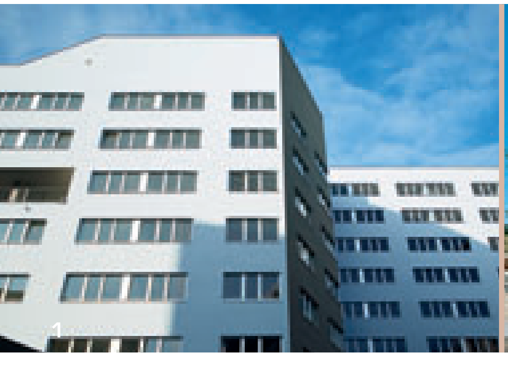
Austria

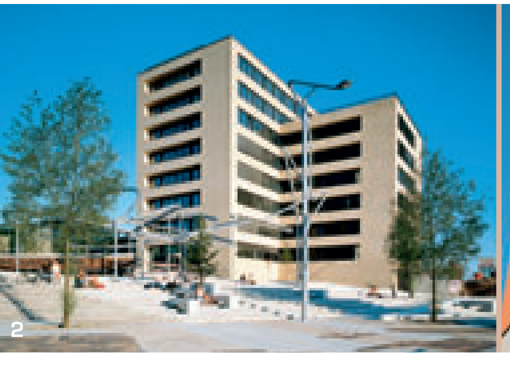
During 2006, the PPH Group was commissioned to carry out numerous projects in Vienna. Alongside a range of residential construction projects, the main orders included office buildings such as Simmeringer Hauptstrasse, Schwarzenbergplatz, Euro Plaza section 4 and Skyline.

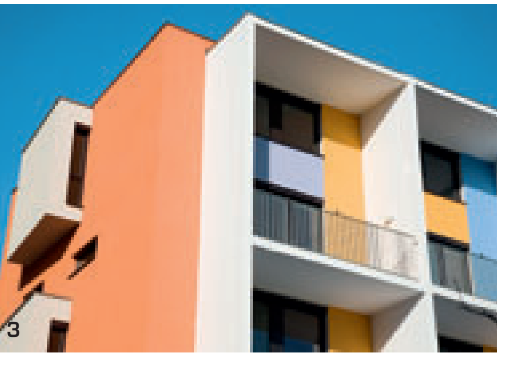
In the area of rehabilitation, conversion work on the Rossau barracks was completed for the Federal Ministry of Defence. Other major renovation contracts acquired by the PPH Group included Erdberger Lände (in connection with a modern office building to be used by Austrian Federal Railways) and the Vienna Chamber of Labour.

Porr GmbH – a joint subsidiary of PPH and PTU with subsidiaries in Lower Austria, Upper Austria, Salzburg, Tyrol, Styria and Carinthia – continued to operate successfully as a cross-sector company in the building construction and civil engineering areas. Porr GmbH continued to carry out work for the St. Pölten University of Applied Sciences. At the same time, the company successfully bid for the Terminal Tower in Linz and the LKH Klagenfurt hospital (managed as a joint venture). The contract to build the new Upper Austria Chamber of Labour was acquired in February 2007 in the form of a public-private partnership model.

1 Kabelwerk residential complex, Vienna
2 Pantaeniushaus office and commercial building, Hamburg
3 Residential construction at Monte Laa, site 11, Vienna


1


2


3

Germany

Economic fortunes for the German construction industry turned the corner in 2006. For the first time since 1995, turnover within the sector exceeded the previous year's level (by 6.5 percent according to statistics from the Federation of the German Construction Industry). Porr Deutschland GmbH, a joint subsidiary of PPH and PTU, has also been run as a cross-sector company for building construction and civil engineering since the start of 2006. A new branch office has been opened in Frankfurt am Main in addition to those in Munich, Hamburg, Berlin and Thuringia/Saxony.

Northeastern Europe

Rapid expansion on the Polish market

Demand for construction services on the Polish market increased sharply during the period under review. Thanks to this acceleration – and greater local presence – the Porr Polska Group was able to expand its business activities significantly. Alongside a number of residential and commercial building projects for Porr (Polska) S.A. in Warsaw, the main acquisitions in the reporting year concerned a shopping centre in Breslau, an hotel in Krakow (in partnership with UBM) and the erection of two tower blocks in Gdingen. The construction of a shopping centre in Posen is proceeding according to schedule and will be completed by the end of first quarter 2007. Porr (Polska) S.A. expects earnings to maintain an upward course in 2007.

Turnover and earnings continued to develop positively for Modzelewski & Rodek Sp. z o.o. as the subsidiary expanded into the north of Poland. The company also added finishing trades to its field of business activity. As a result of high demand, Stal-Service Sp. z o.o., in which Porr (Polska) S.A. holds an 80 percent share, was able to consolidate its leading role in structural steel processing in Poland. The company achieved a satisfactory result.

Porr (Česko) a.s., our subsidiary in the Czech Republic, managed to expand its activities despite a slight downturn in the construction industry, and produced a satisfactory result. The Smichov Gate project was handed over on schedule; contracts were also awarded for the final buildings of the Chodov business park project in Prague. With the company consistently expanding its focus to target local as well as international investors, positive developments are likely to be maintained in 2007.

PORR (Slovensko) a.s. has been managed as a joint associated company since 2006 together with the affiliate PTU AG. Market presence has been expanded as planned thanks to new orders linked to a residential construction project and a large office building for a bank. As a result, growth is set to continue in 2007.

1 Hafen City, section 3, Hamburg
2 Hotel Rennweg, Vienna
3 Pantucekgasse passive house, Vienna

South eastern Europe

Market entry for subsidiaries in south eastern Europe

Business activities for the Hungarian company Porr (Hungária) Magasépítési Kft. revolved around the on-schedule completion and handover of the large-scale Europe Tower project and the acquisition of Budafoki, a new office construction project. In line with the Group's strategy, this subsidiary merged with Porr (Budapest) Építési Kft. during the reporting period, to form Porr Építési Kft.

The companies in the other countries of south eastern Europe are cross-sector firms in which PPH and PTU hold shares of 50 percent. These new branch offices in the region are working intensively on matters of structural organisation; some have already successfully embarked on operational business. Owing to differing framework conditions, however, market activity varies considerably for these offices.

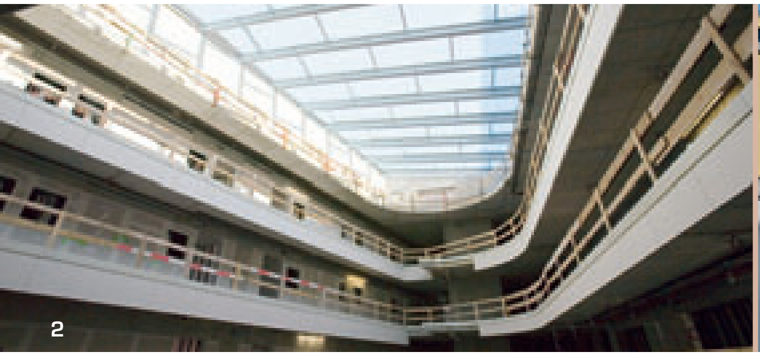
In Romania, Porr Construct S.R.L. completed its first building construction project in 2006: an industrial project in Temesvar for the company Hella. The company has also acquired an industrial construction project for an Austrian group along with an order for a hotel conversion in Poiana Mica in Brasov. Work will continue on setting up a local organisation.

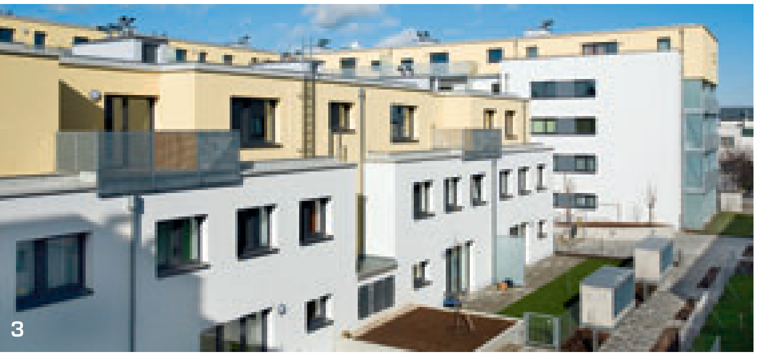
The concept of cross-sector companies was pursued in Bulgaria during the year under review with a 50 percent shareholding in the existing PTU regional subsidiary. Aside from the processing of a small power plant project, the market is being assessed and the company is being prepared for additional operational activities.

In Zagreb, PORR (Hrvatska) d.o.o. has successfully concluded and handed over two major office projects: Zagreb Tower and Euro Tower. During 2007, an expansion of activity in the regions of Rijeka and Dalmatia is planned.

In Serbia, the new subsidiary GP Porr d.o.o. has embarked on operational construction following acquisition of the Delta City project, the largest shopping centre in Belgrade. Given the increased level of demand, the first step was to set up an organisational unit capable of taking on large-scale building construction and civil engineering projects.

The PPH subsidiary in Montenegro worked on three construction projects (two road building projects and one tunnel construction project). Our two branch offices in Bosnia (in Sarajevo and Banja Luka) prepared the ground for the launch of operational activity.





COMPETITION

In all of its business areas, PPH is recognised for its high standards of quality in service provision, strict adherence to deadlines, reliability and staff expertise (both technical and commercial). By putting innovative and future-proof ideas into practice, the company is able to realise profitable constructions. Business success will be based on local presence in numerous central, eastern and south eastern European states – a basis which has already been established. With forward-thinking, creative and technically proficient staff, there is every chance of this good progress being sustained.

Rising demand in central, eastern and south eastern Europe

The economic upturn in the EU, which took root late in 2005, has significantly boosted demand for building construction services. The balance has clearly shifted from western Europe to the CEE markets. Most investment continues to flow into office and retail properties; although volume has decreased for mixed-use, logistical and hotel properties, renewed growth is expected in these areas. The residential sector still constitutes a hub of construction activity, which is fairly evenly split between new residential construction, renovation work and modernisation projects. In view of the backlog that exists in these sectors – particularly on the eastern European markets – competition is likely from local companies as well as the leading western European players. The high expectations of investors as regards yield are generating substantial pressure for lower production costs. Nevertheless, rising personnel, commodities and subcontractor costs will have a major impact on likely future earnings.

CUSTOMER BENEFIT

Since PPH is integrated into such a wide network of business areas, the company is able to offer a comprehensive service portfolio covering everything from financing, project planning and project development to building construction and support in building management. Such a spectrum of services enables PPH to maximise a vast field of potential, open up new angles on the future and operate as a one-stop shop for complex projects.

OBJECTIVES FOR 2007

As the economic recovery continues during fiscal year 2007, the aim will be to raise turnover accordingly. In keeping with the principle of best practice, a dynamic exchange of information within the Group will support sustained improvements to our operating income. However, the steady raising of profits will not be the sole priority: acutely aware of shortages in the areas of materials and, above all, personnel, there will be a special emphasis on the responsible deployment of such resources. In the area of personnel development in particular, PORR will implement specific measures with a view to improving staff education and training.

Improvements to risk management and greater sensitivity in terms of customer satisfaction – especially as regards appropriate claim management – will remain priorities in 2007. At the same time, more effective cost management will enable us to make the best possible use of resources and enhance our result.

1 Emil-Andresen-Strasse residential complex, Hamburg
2 Expansion of Stary Browar shopping centre, Poland
3 Gebrüder Weiss logistical centre, Lower Austria

We build roads

Lifelines for people

Mobility is a natural requirement. We need to keep moving in order to reach new markets, distant regions, other people. Roads not only connect cities and cultures, they also offer experiences in their own right. For many, roads are also an economic factor, a means of transport that needs to be safe and efficient.

Via Appia near Rome, started in 312 BC, 540 kilometres

Facts and figures

Business development

During 2006, the TEERAG-ASDAG Group succeeded in raising its production output by 3.8 percent, generating one third of this growth abroad. The EBIT declined by 13.9 percent, whilst the balance of orders remained stable.

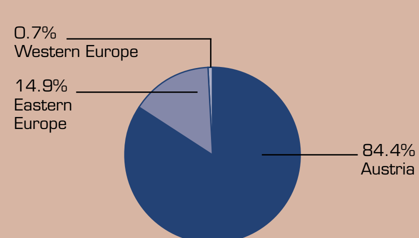
Key data concerning the T-A Group

	2006	Change	2005	2004
Production output in EUR million	817.5	+ 3.8%	787.3	711.3
Foreign share	15.6%	+ 0.5 PP	15.1%	10.4%
Order balance at year end in EUR million	345.0	– 1.3%	349.5	362.1
Ø Staffing level	4,793	– 0.4%	4,812	4,581

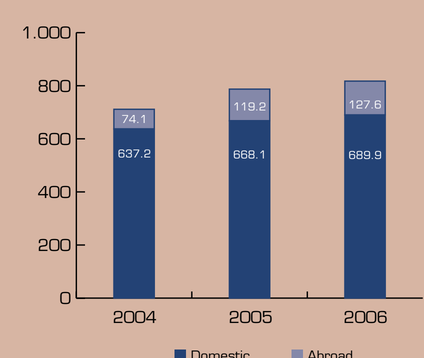
Key financial data

In EUR million	2006	Change	2005
Production output	817.5	+ 3.8%	787.3
Of which abroad	127.6	+ 7.0%	119.2
EBIT	21.7	– 13.9%	25.2
Investments	15.1	– 20.1%	18.9
Segment assets	575.9	+ 12.0%	514.0
Segment liabilities	397.8	+ 15.1%	345.6

Production output in 2006 domestic and abroad in %



Production output in 2006 domestic and abroad in EUR million



ROAD CONSTRUCTION SEGMENT/ THE T-A GROUP TEERAG-ASDAG AG

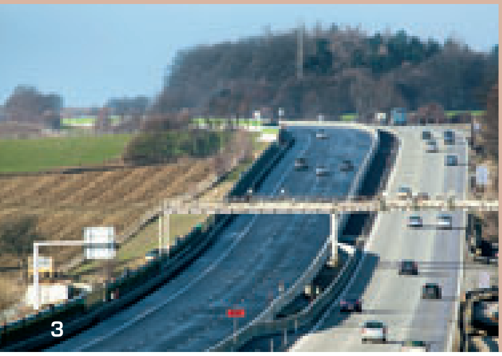
High-tech mobility

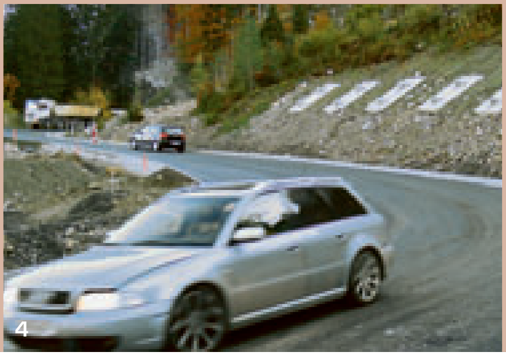
The movement of goods and people across country with ever greater speed and security places high demands on planning and performance. To keep up with the needs of modern-day transport, roads are subject to constant modernisation. That's why road construction has always been at the forefront of technology.

Major renovation of the A1, St. Georgen–Wangauer river

Current reference projects

1 Construction of sound barriers, A1 Böheimkirchen
2 Construction of sound barriers, A2 Buch–Geiseldorf
3 Road widening, A1 Böheimkirchen
4 Support work at Nassfeld, Carinthia
5 Söding sewage treatment plant, Styria





Road construction segment/ The T-A Group

COMPANY PROFILE

Expansion of service portfolio in recent years

TEERAG-ASDAG AG (T-A) is a key component of the PORR Group and one of Austria's leading road construction companies. Allgemeine Baugesellschaft – A. Porr AG (PORR) assumes industrial management with a majority shareholding of 52.5 percent. Wiener Stadtwerke Holding AG has 47.2 percent of the shares, and the remaining 0.3 percent is in free float.

Aside from road construction, the other core skills of the T-A Group are canal building and environmental protection technology. In recent years, the service portfolio has been steadily expanded to include the sectors of sealing works, road markings and horticulture/ landscaping.

Turnover for TEERAG-ASDAG AG is incorporated in the consolidated accounts of PORR at 100 percent; 100 percent of construction output is also included. The EBITDA, EBIT and EBT are 100 percent incorporated in the annual net income but only 52.50 percent incorporated in the proportion for shareholders of the parent company of the annual net income of PORR.

SERVICE PORTFOLIO

Road construction

Road construction has been the main business area of TEERAG-ASDAG AG since the company was founded; this sector accounts for over half of the T-A Group's construction output. Given the demand for efficient and safe traffic links – which is rising throughout Europe and particularly in central, eastern and south eastern Europe – this segment continued to expand rapidly in 2006. The expertise of the TEERAG-ASDAG corporate group is demonstrated in road construction projects such as the expansion of the A4 Ostautobahn

Executive Board members, left to right: Dipl.-Ing. Karl Pulz, Honorary Senator of the Vienna University of Technology (chairman), and Josef Stekovics (from the Schwechat intersection to the airport junction) and the general overhaul of the A1 Westautobahn between Steyrermühl and Regau (carried out as a joint venture).

The company is also involved in road construction abroad. Representative projects carried out by the Prague-based subsidiary Prazské silnicní a vodohospodárské stavby a.s. (PSVS) include the construction of by-passes at Nymburk and Lipník; both of these projects involved the construction of two complex bridges.

The Budapest city motorway is being built by TEERAG-ASDAG

In Hungary, where the TEERAG-ASDAG corporate group established a foothold in 2004, the M0 Budapest ring road project is being realised as a joint venture. This large-scale and technically complex construction project has a total order volume of EUR 116.0 million.

Environmental protection technology

Given the growing importance of environmental protection in western industrialised nations, the area of environmental protection technology has become a mainstay of the T-A Group. Services rendered in this sector include the installation of supply and disposal pipelines and the construction of sewage treatment plants and sound barriers. Notable construction projects in 2006 concerned the wastewater disposal plant in St. Marein (close to Neumarkt in Styria) and the Rangersdorf sewer in Carinthia.

Concrete/bridge construction

Several flagship projects were acquired or pursued in the concrete/bridge construction sector during reporting year 2006, most notably the extensive Brixen by-pass construction project in Thale (which involved the building of a 1,280-metre covered road) and the erection of the Innbrücke Telfs-Rietz bridge in Tyrol. Complex concrete work is also in progress in Styria; particular mention must be made of the extension of the Gnas link road.

Sealing

Werner Winkler Gesellschaft m.b.H. was successfully integrated into IAT GmbH during 2006. This consolidation enhanced the competitiveness of the TEERAG-ASDAG Group's sealing division. In the reporting year, the company maintained its leading market position in the field of bituminous sealing as well as the sector of plastic insulation for tunnel, waste disposal site and storage unit construction. This was achieved through optimisation measures and a host of minor improvements. The sealing of the Katschberg tunnel, which was initiated in 2006, constitutes a reference project for this sector in Austria. IAT GmbH is also successful elsewhere in Europe, and has subsidiaries in Spain, Switzerland, Croatia and the Czech Republic.

1 Work on the Krems flood defences, Lower Austria
2 Brixen by-pass, Tyrol
3 Wels rail station, Upper Austria

Market leader in building site security and traffic management in Austria

Road markings

The service portfolio for the road markings business field is broad-based. Expertise in this area includes painting operations in addition to carriageway marking, which involves work on the major road network as well as parking space marking. From 2006 onwards, the service portfolio will be rounded out with integrated solutions linked to building site security and traffic management. Thanks to our deployment of the latest technology and the expertise of our highly trained staff, we have developed into Austria's leading supplier in this field. In the year under review, the road markings sector acquired a pair of annual construction contracts which will run until 2009.

GEOGRAPHICAL PRESENCE

Austria

Most activity in the main operational sectors of road construction and municipal civil engineering takes place in Austria, where nine branch offices cover all federal states. Regional construction management teams were set up to optimise the processing of nationwide markets. In addition, the market is processed by numerous subsidiary companies. These include Hans Böchheimer Hoch- und Tiefbau Gesellschaft m.b.H. in Stegersbach, Burgenland, which specialises in building construction and domestic water supply engineering and has carried out representative construction projects of all shapes and sizes; and Baugesellschaft m.b.H. Erhard Mörtl based in Wolfsberg, Carinthia, which focuses on road construction and pipeline engineering.

The Vienna area was expanded through the takeover of Wiener Betriebs- und Baugesellschaft m.b.H. (WIBEBA, representing the municipal service sector) and its subsidiaries. The company was based at the Vienna Simmering site and successfully integrated into the existing structure. The Vienna area worked on numerous complex construction projects in 2006, most notably the expansion of the A4 Ostautobahn from the Schwechat intersection to the airport junction.

In parallel to its areas of activity, the T-A Group's geographical field of operations has also widened steadily. In keeping with corporate strategy, operational business areas – mainly services connected to the core sectors of road construction and municipal civil engineering – now extend to many countries of central, eastern and south eastern Europe.


1

1 Hötting urns site, Tyrol
2 Construction of ADEG Markt at Wolfsberg, Carinthia
3 Innsbruck Mitte exit, Tyrol

North eastern Europe

T-A Group also operating in the Czech Republic and Hungary

In the Czech Republic, the T-A Group operates the leading road construction and civil engineering company in the Greater Prague area through its subsidiary PSVS. The Group also has representative branch offices in Bohemia and Moravia. Reference projects during reporting year 2006 included by-pass construction projects at Nymburk and Lipník, each of which entailed the realisation of two complex bridges.

The subsidiary TEERAG-ASDAG POLSKA Sp.z o.o., which commenced operations in the road construction sector in 2004, has succeeded in steadily raising turnover and revenue. Construction projects worth up to EUR 15.0 million have been processed.

Teerag-Asdag Kft. (based in the Hungarian town of Mosonmagyaróvár) was also founded in 2004 along with a branch office in Szombathely. The completion of the major M0 motorway project as a joint venture was a key project for this company during the reporting year. Participation in the gravel mining company ASDAG Kavicsbánya és Épípöipari Kft. will ensure a supply of raw materials for the operational entities for decades.

TEERAG-ASDAG Slovakia s.r.o. was founded in Bratislava during 2006 following a wide-ranging market study. The aim is to establish a stable market position within the traditional civil engineering area, especially in the sectors of road construction and canal building.

The subsidiary IAT GmbH represents the T-A Group extremely effectively in Austria, where the company leads the market in the field of bituminous sealing as well as the sector of plastic insulation for tunnel, waste disposal site and storage unit construction. However, IAT GmbH is also highly successful elsewhere in Europe, where it operates subsidiaries in Switzerland, Croatia, the Czech Republic, Germany and Spain. In particular, the final section of a flagship project on sealing work for the Gotthard base tunnel in Switzerland, which began in March 2007, is having a positive effect on capacity utilisation.

COMPETITION

Innovation and quality will ensure long-term success

The success of the TEERAG-ASDAG Group is based on reliability, adherence to deadlines, innovative flair and consistent delivery of high-quality services in all of its business areas. These strengths – together with market presence throughout Austria – are critical to T-A's thriving business activity. A strong market position is underpinned by a comprehensive network of asphalt mixing plants, a secure supply of raw materials and modern, high-performance plant and machinery.


2


3

There was high demand for infrastructure investment on the Austrian construction market in 2006; in view of the fact that this is also TEERAG-ASDAG's main market, the Group is likely to benefit.

The price trend on the Austrian market makes it extremely difficult for mid-market companies to operate profitably, and many companies have been bought out by the major construction groups. However, this development has done nothing to reduce the level of competition; on the contrary, newly established small businesses that acquire the relevant know-how in the road construction sector are exacerbating the pressure on prices. Competition is heightened still further by the infiltration of German companies onto the Austrian market.

Water supply and disposal: a business area of the future

The TEERAG-ASDAG Group is profiting from sharply rising demand for civil engineering on the markets of central, eastern and south eastern Europe. The main focus has been on road construction, water supply and water disposal activities. Many European construction companies are entering these markets in response to the substantial infrastructure backlog.

Given the present state of global politics, insecurity persists over the price development of oil, gas and electricity. Increases to these prices could affect future profitability.

Although the TEERAG-ASDAG Group delivers high-quality services in all of its sectors, the pressure of competition is intense. This is because public sector contracts in Austria still tend to be awarded to the supplier making the lowest bid. As far as the law regulating the awarding of contracts is concerned, public sector clients are now legally bound to Austrian standards and regulated specifications for tenders; nonetheless, TEERAG-ASDAG would benefit from a clear legal provision under which the best supplier would take precedence over the cheapest supplier as a matter of principle.

CUSTOMER BENEFIT

The highly trained and motivated staff members of the T-A Group directly address local customer needs on site. In line with its promise to deliver 'projects of all sizes, all over Austria', the Group manages not only large-scale projects, but also smaller, regional construction projects for municipalities and private customers. Countrywide presence enables the TEERAG-ASDAG Group to realise construction projects to the full satisfaction of customers in terms of quality, adherence to deadlines and the price-cost relationship; close contact with project sponsors enables the Group to respond quickly to customer requirements.

Thanks to our organisational links with PORR, integrated solutions can be found for everything from project development to the application of operator models (public-private partnership models).

OBJECTIVES FOR 2007

Eastwards expansion set to continue

During fiscal year 2007, the outstanding market position in Austria is likely to be consolidated and the healthy earnings situation should steadily improve. Local presence will be expanded and secured for the long term in the Czech Republic, Poland, Slovakia and Hungary. The next step will be to expand onto the high-potential markets of Bulgaria and Romania.

1 Wels rail station, Upper Austria
2 Work on the Krems flood defences, Lower Austria
3 Söding sewage treatment plant, Styria

We design space

Tailor-made solutions for people

To an increasing degree, the space within which we live our everyday lives is planned and developed on the drawing board. Despite this, the individual person remains the yardstick, even in the case of large-scale projects. That's why we place the emphasis firmly on quality, planning our projects from the inside out – not forgetting the requirements of technology and energy.

Hammer mill in Bleichheim, Germany, built in 1867.

Facts and figures

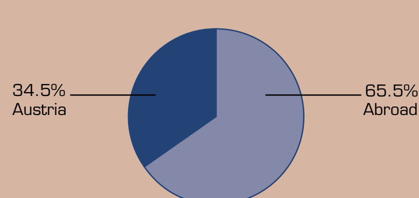
Business development

The PORR SOLUTIONS Group does not form a separate segment in the consolidated accounts. The projects that the Group develops and realises in the fields of infrastructure, real estate and energy impact mainly on the turnover and revenue figures for the PTU and PPH divisions. In 2006, the investment volume of projects developed by the PS Group rose by 24.3 percent to stand at EUR 256.0 million.

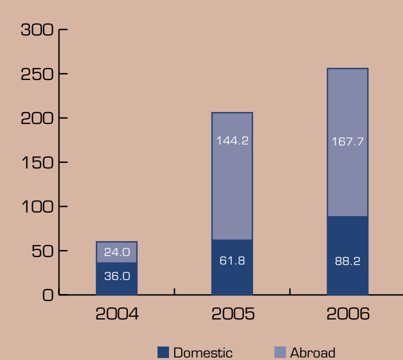
Key data concerning the PORR SOLUTIONS Group

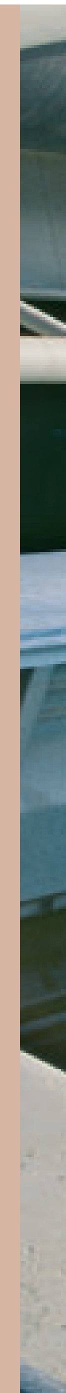
	2006	Change	2005	2004
Invested project volume [in EUR million]	256.0	+24.3%	206.0	60.0
Of which domestic	88.2	+42.7%	61.8	36.0
Of which abroad	167.7	+16.3%	144.2	24.0
Staffing level	43	+4.9%	41	33

Invested project volume in 2006 domestic and abroad in %



Invested production volume domestic and abroad in EUR million





THE PORR-SOLUTIONS GROUP
Porr Solutions Immobilien- und Infrastrukturprojekte GmbH

From concept to lifecycle model

In the beginning is the idea; at the end is the completed project; and bridging the two is the experience and expertise of our project developers. The route to the solution may not be straightforward every time, but the results always last. We know that project development is about more than buildings, bridges and roads; it's also about supplying water and energy. We also know that we are playing our part in the future of Europe.

Freudenau power station, Vienna

Current reference projects

1 Waidhofen sewage treatment plant, Lower Austria
2 m-parking, short-stay parking by mobile phone
3 M6/M8 motorway intersection, Hungary
4 Monte Laa urban development, Vienna
5 Skyline office/commercial building, Vienna
6 Frankenstrasse Office Center, Hamburg

The PORR-SOLUTIONS Group

COMPANY PROFILE

The PORR SOLUTIONS Group – the PORR Group's international project development team – is helping to shape the future of central Europe. The success of the company, which operates in the field of property and infrastructure projects, is founded on experience, expertise and efficiency. Developing real estate and infrastructure projects is a complex business. The proficiency of PORR SOLUTIONS across the board ensures made-to-measure solutions and uncompromising quality down to the last detail.

PORR SOLUTIONS: a complete systems supplier and project developer

This corporate division was formed through the merger of Porr Immoprojekt GmbH and Porr Infrastruktur GmbH, two companies with years of involvement in project development. The areas of Porr Technics & Services GmbH & Co KG and FMA Gebäudemanagement GmbH were also integrated to create the profile of a complete systems supplier.

The area of project development was thus amalgamated with the associated services to form a single company, PORR Solutions Immobilien- und Infrastrukturprojekte GmbH. The company operates as a kind of order generator for the segments PPH, PTU and T-A; for this reason, it does not constitute a separate segment in itself.

SERVICE PORTFOLIO AND GEOGRAPHICAL PRESENCE

The PORR SOLUTIONS Group offers a wide portfolio of services, including the development, planning, construction, financing, operation and marketing of property and infrastructure projects in Austria and abroad. In order to meet a range of technical and geographical demands and ensure the best possible access to markets, the company is split into various business areas.

Management board members, left to right: Dipl.-Ing. Christoph Schäffer MBA (from 1st January 2007), Dr. Georg Pammer and Ing. Friedrich Gruber

Changes for 2006: Mag. Rudolf Krumpeck (to 31st December 2006)

Real estate projects in Austria

Focus on public sector bid invitations

This area is the starting point for project development within the Group and a focus of activity. In future, top priority will be accorded to participation in public sector bid invitations and the development of commercial real estate projects, with the main emphasis on office and commercial buildings, hotels and thermal facility projects. Fourteen projects are currently under development, including City Center in Mödling, the new PVA office complex, the Skyline office/commercial building on the Stadtbahnbögen in Vienna, Terminal Tower in Linz and the Aldrans-Sistrans corporate centre in the Tyrol.

In 2007, construction is scheduled to begin on section three of the University of Agricultural Sciences, the Franzosengraben office building in Vienna and the IQ office centre in Salzburg. A new judiciary centre will be built on Baumgasse in Vienna's 3rd municipal district in partnership with the Bundesimmobiliengesellschaft. Construction-related project development in the federal states is under expansion.

PORR SOLUTIONS will take responsibility for the financing and coordination of specific projects – an area that is rapidly developing into a key factor for the Group.

Real estate projects in north eastern Europe

North eastern Europe is defined as Germany, the Czech Republic, Slovakia, Poland and the Ukraine. At the present time, 21 projects are under full development in these countries: activities range from acquiring plots of land and development to the construction and utilisation of properties. Local branch offices are also assessing the cost-effectiveness and feasibility of further plots and projects.

Activities in Germany are centred on Hamburg, Berlin and Munich and their surrounding areas. Four projects are currently at the processing stage: the Forum development in the Quickborn area of Hamburg, an office centre on Frankenstrasse in Hamburg, a multifunctional building on Berlin's Frankfurter Allee and the innovative Carloft residential project in Berlin.

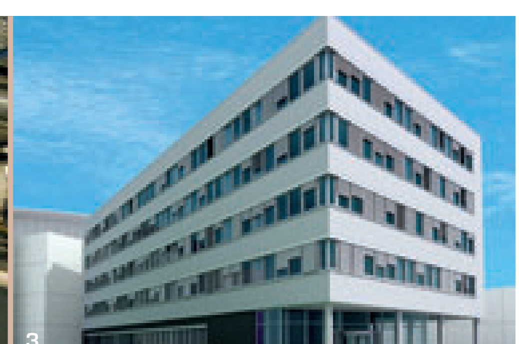
In Poland, current operations revolve around residential construction projects in Krakow and Warsaw, a project in Posen and a shopping centre in Danzig; we are also continuing to seek suitable locations for hotel projects in Warsaw and Lodz.

Real estate projects in south eastern Europe

Given the particularly high potential of the project development area in south eastern Europe, we are expanding our presence in the region. We have established subsidiaries in

1 Terminal Tower in Linz, Upper Austria
2 Gresten biomass facility, Lower Austria
3 Franzosengraben office building, Vienna





High potential for project development in south eastern Europe

Romania, Bulgaria and Croatia and project companies in Hungary, Bosnia and Serbia. In Bosnia, our successful collaboration with local partner companies is continuing in the form of projects in Mostar, including the realisation of a number of multifunctional commercial and retail properties. A residential complex is being developed in Serbia and an office/hotel complex is being pursued in Romania along with several logistical projects.

PORR SOLUTIONS is also constantly evaluating the cost-effectiveness and feasibility of plots and projects acquired in Hungary, Croatia and Bulgaria.

Infrastructure projects

Various models including public-private partnerships (PPP), franchises and build-operate-transfer (BOT) solutions are developed for individual projects at home and abroad in this business area. Core themes include systems for the disposal of waste materials and waste-water, and roads and tracks for the transport sector. Privatisation initiatives in the health and energy sectors can lead to PPP projects, which may also take the form of private investment initiatives.

Other business areas include service provision in connection with technical infrastructure (freight traffic by rail, traffic management, parking space management and a trading platform for emission certificates).

PPP models deliver high-yielding projects in the infrastructure field

Experience has shown that involvement in infrastructure-based PPP projects of this kind leads to high-yielding investments for the long term and offers a strategically effective solution to the systemic fluctuations inherent in project business. Project company participation can generate performance contracts for the PORR Group which are extremely attractive given the qualifications of the bidder group.

In view of budgetary restrictions on our target markets allied with sharply rising requirements – principally for high-grade infrastructure of EU standard – demand is likely to remain high in the medium term, notwithstanding the political vagaries that can afflict the decision-making process.

PT&S: Porr Technics & Services

This area provides a wide range of services for all manner of projects. These services, which are individually tailored to the precise requirements of specific projects in their type and scope, are made available internally and to external customers on the market – enabling them to uphold and raise their competitiveness, particularly in the areas of acquisition, project development, planning and processing.

Services are categorised as follows:

Architecture
- Compilation of studies, preliminary drafts and draft plans
- Submission, performance and detailed planning

Building management
- Advising clients with regard to innovative, cost-effective and unique solutions
- Compilation of general studies, preliminary drafts and draft plans and submission planning

Project control
- Cost planning and monitoring
- Scheduling and resource control

In all cases, services are rendered with the agreement of the customer. The aim of this is to ensure that the best possible combination from the broad spectrum of services – from acquisition to turnkey project handover – is delivered for every client.

FMA: Facility Management
FMA is a high-profile service provider specialising in the facility management, servicing and maintenance of building management installations for internal and external clients.

The service portfolio covers the following:

Technical facility management
- Technical management
- Maintenance of building equipment and building fabric

Commercial facility management
- Property management
- Cost controlling, benchmarking

Infrastructural facility management
- Individual occupant support
- Cleaning, security services etc.

Carloft residential project, Berlin

Consulting

- Project-related support
- Building owner consulting

Close involvement in project development and the building construction of properties produces valuable synergy – know-how that can be applied to ensure the best possible outcomes from the planning and realisation phase onwards. Financial savings that result from a lifecycle approach to stock properties can be directly passed on to the customer.

COMPETITION

PORR SOLUTIONS has built up a number of competitive advantages on the market:

- Productive business partnerships established through years of experience in central, eastern and south eastern Europe
- Integrated process management from a single source: development, architecture, financing and facility management
- Interdisciplinary approach to the areas of real estate and infrastructure
- Access to the experience and infrastructure of the PORR Group produces an advantage over competitors

In this way, PORR SOLUTIONS is positioning itself as a key partner to Austrian and international corporate groups seeking to expand eastwards.

OUTLOOK

Consolidation of position as an integrated systems supplier

We continue to perceive significant potential for project development in the real estate and infrastructure sectors in the countries of eastern Europe. For this reason, we intend to expand the company's presence in the region.

In future, PORR SOLUTIONS will be able to consolidate its position as an integrated systems supplier by intensifying its focus on the areas of planning, project management and facility management. Such a comprehensive service portfolio will make it possible

1 Ford Wien West corporate building, Vienna
2 LTE engine for private railway company LTE Logistik- und Transport GmbH, Austria
3 Forum at Quickborn rail station, Germany

to offer customers a 'lifecycle model' in both the real estate and the infrastructure fields: in other words, to provide the best possible support throughout the lifecycle of a project, from the initial idea onwards. Services such as the arrangement of complex financing concepts and franchise/operator models will also be improved.

PORR SOLUTIONS is a high-performance partner in central Europe which is consolidating the international competitiveness of the PORR Group through effective project development. The company's stated aim is to raise market share significantly and deliver a major contribution to Group profitability over the long term.

Consolidated accounts of PORR AG 2006

Group profit and loss account for fiscal year 2006

in EUR thousand	Notes	2006	2005
Gross revenues	(5)	1,920,999.2	1,828,220.2
Own work capitalised in fixed assets		2,020.6	4,386.3
Other operating income	(6)	49,170.6	57,872.4
Cost of materials and other purchased manufacturing services	(7)	–1,223,346.1	– 1,141,483.6
Personnel costs	(8)	–515,734.7	–512,318.3
Amortisation/depreciation of intangible and tangible fixed assets	(9)	–43,495.9	–47,799.9
Other operating expenses	(10)	–141,954.9	–139,568.2
Operating result (EBIT)		**47,658.8**	**49,308.9**
Result from associated companies		16,296.0	8,335.3
Income from other financial assets and current financial assets	(11)	11,107.2	13,679.5
Financial expenditure	(12)	–39,739.5	–38,889.1
Result before taxes on earnings (EBT)		**35,322.5**	**32,434.6**
Taxes on income	(13)	–2,703.7	–460.3
Surplus for the year		**32,618.8**	**31,974.3**
Proportion relating to shareholders of the parent company		**26,364.1**	**25,167.1**
proportion relating to minority shareholders of subsidiaries		6,254.7	6,807.2
Earnings per share (in EUR)	**(14)**	**12.96**	**12.44**

Group cash flow 2006

In EUR thousand	2006	2005
Surplus for the year	32,618.8	31,974.3
Depreciation/appreciation of fixed assets	41,474.2	47,800.1
Income from associated companies	– 9,404.4	– 4,572.4
Decrease/increase in long-term provisions	– 318.9	7,720.9
Deferred tax income	– 639.7	– 5,933.3
Cash flow from the result	**63,730.0**	**76,989.6**
Decrease in short-term provisions	– 9,311.5	– 3,003.7
Losses/gains from fixed asset divestments	– 9,626.8	– 21,167.1
Decrease/increase in inventories	– 4,232.8	4,960.1
Increase in receivables	– 34,604.1	– 22,224.3
Increase in payables (excluding payables to bank)	8,920.9	28,639.1
Cash flow from operating activities	**14,875.7**	**64,193.7**
Proceeds from sale of tangible assets and from sale of financial real estate	26,194.3	48,432.4
Proceeds from sale of financial assets	8,292.8	24,905.1
Investments in intangible assets	– 7,424.3	– 2,658.0
Investments in tangible fixed assets and financial real estate	– 58,180.1	– 42,918.7
Investments in financial assets	– 17,599.0	– 21,111.7
Expenditure on the acquisition of subsidiaries	– 1,000.0	– 10,620.3
Other transactions not affecting payment	– 1,865.3	– 363.8
Cash flow from investing activities	**– 51,581.6**	**– 4,335.0**
Dividends	– 3,538.4	– 3,538.4
Proceeds from bonds	67,409.5	172,000.0
Repayment of loans and other group financing transactions	– 60,442.2	– 211,204.8
Other transactions not affecting payment	– 926.9	794.9
Cash flow from financing activities	**2,502.0**	**– 41,948.3**
Cash flow from operating activities	**14,875.7**	**64,193.7**
Cash flow from investing activities	**– 51,581.6**	**– 4,335.0**
Cash flow from financing activities	**2,502.0**	**– 41,948.3**
Changes to liquid funds	– 34,203.9	17,910.4
Liquid funds as of 1.1.	101,615.1	68,770.2
Currency differences	469.0	0.0
Changes to liquid funds resulting from changes to the consolidated entity	9.0	14,934.5
Liquid funds as of 31.12.	**67,889.2**	**101,615.1**

Group balance sheet as of 31 December 2006

in EUR thousand	Notes	31.12.2006	31.12.2005
ASSETS			
Long-term assets			
Intangible assets	(15)	48,440.3	45,445.4
Tangible assets	(16)	353,973.2	340,386.5
Financial real estate	(17)	162,284.1	148,294.9
Shareholdings in associated companies	(18)	74,638.3	64,389.2
Loans	(20)	14,769.1	7,353.9
Other financial assets	(19)	59,192.0	57,409.7
Other long-term assets	(23)	13,137.0	8,630.2
Deferred tax assets	(25)	26,400.1	34,902.5
		752,834.1	**706,812.3**
Short-term assets			
Inventories	(21)	61,482.7	57,249.8
Loans	(20)	136.1	820.3
Trade debtors	(22)	694,224.0	589,989.8
Other receivables and assets	(23)	45,421.8	71,132.8
Liquid funds	(24)	67,889.2	101,615.1
		869,153.8	**820,807.8**
		1,621,987.9	**1,527,620.1**

In EUR thousand	Notes	31.12.2006	31.12.2005
LIABILITIES			
Equity capital	(26,27)		
Share capital		14,778.4	14,778.4
Capital reserves		33,689.5	33,689.5
Other reserves		163,746.1	141,420.3
Unappropriated retained earnings		3,578.2	3,580.2
Shares of minority shareholders of subsidiaries		63,236.1	57,546.3
		279,028.3	**251,014.7**
Long-term liabilities			
Bonds	(29)	239,409.5	172,000.0
Provisions	(28)	108,466.4	108,785.2
Financial liabilities	(30)	163,441.7	164,286.0
Other payables	(32)	25,547.3	18,128.2
Deferred tax liabilities	(25)	35,744.2	44,656.8
		572,609.1	**507,856.2**
Short-term liabilities			
Provisions	(28)	98,930.3	108,680.8
Financial liabilities	(30)	157,670.7	192,572.4
Trade creditors	(31)	366,135.4	330,185.2
Other payables	(32)	144,258.7	134,394.3
Tax liabilities	(33)	3,355.4	2,916.5
		770,350.5	**768,749.2**
		1,621,987.9	**1,527,620.1**

Changes to Group equity capital

In EUR thousand	Subscribed capital	Capital reserve	Revaluation reserve
Balance at 1.1.2005	14,778.4	33,689.5	5,495.4
Sale of own shares	–	–	–
Currency differences	–	–	–
Income taxes on items set off directly to equity capital	–	–	–
Total income and expenses entered directly in equity capital	–	–	–
Surplus for the year	–	–	–
Total income and expenses recorded	–	–	–
Dividend payments	–	–	–
Acquisition of minority interests	–	–	–
Other changes	–	–	–
Balance at 31.12.2005	**14,778.4**	**33,689.5**	**5,495.4**
Securities available for sale	–	–	–
Currency differences	–	–	–
Income taxes on items set off directly to equity capital	–	–	–
Total income and expenses entered directly in equity capital	–	–	–
Surplus for the year	–	–	–
Total income and expenses recorded	–	–	–
Dividend payments	–	–	–
Acquisition of minority interests	–	–	–
Other changes	–	–	–
Balance at 31.12.2006	**14,778.4**	**33,689.5**	**5,495.4**

Changes to group equity capital

Foreign currency reserve	Securities available for sale	Retained earnings and unappropriated retained earnings	Shares of shareholders of parent company	Shares of minority shareholders of subsidiaries	Total
– 71.5	–	115,769.8	**169,661.6**	52,122.3	**221,783.9**
–	–	2,015.6	**2,015.6**	–	**2,015.6**
507.0	–	–	**507.0**	–	**507.0**
–	–	–	–	–	–
507.0	–	2,015.6	**2,522.6**	–	**2,522.6**
–	–	25,167.1	**25,167.1**	6,807.2	**31,974.3**
507.0	–	27,182.7	**27,689.7**	6,807.2	**34,496.9**
–	–	– 3,538.4	**– 3,538.4**	–	**– 3,538.4**
–	–	– 608.4	**– 608.4**	– 1,383.2	**– 1,991.6**
–	–	263.9	**263.9**	–	**263.9**
435.5	**–**	**139,069.6**	**193,468.4**	**57,546.3**	**251,014.7**
–	496.1	–	**496.1**	–	**496.1**
– 208.7	–	–	**– 208.7**	–	**– 208.7**
–	– 124.0	–	**– 124.0**	–	**– 124.0**
– 208.7	372.1	–	**163.4**	–	**163.4**
–	–	26,364.1	**26,364.1**	6,254.7	**32,618.8**
– 208.7	372.1	26,364.1	**26,527.5**	6,254.7	**32,782.2**
–	–	– 3,538.4	**– 3,538.4**	–	**– 3,538.4**
–	–	– 665.3	**– 665.3**	– 564.9	**– 1,230.2**
–	–	–	–	–	–
226.8	**372.1**	**161,230.0**	**215,792.2**	**63,236.1**	**279,028.3**

Notes to the consolidated accounts 2006 Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft

1. GENERAL INFORMATION

The PORR Group consists of the Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft (PORR AG) and its subsidiaries. PORR AG is a public limited company according to Austrian law and has its registered head office at Absberggasse 47, 1103 Vienna. The company is registered with the commercial court of Vienna under reference number FN 34853f. The Group deals mainly with project development and a whole range of building construction activities as well as the commercial utilisation of buildings completed by the company for its own account.

The consolidated accounts have been prepared pursuant to § 245a of the Commercial Code in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and accepted by the European Union and in accordance with the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC).

The reporting currency is the Euro, which is also the functional currency of PORR AG and of the majority of the subsidiaries included in the consolidated accounts.

2. CONSOLIDATED ENTITY

In addition to PORR AG, 79 (previous year: 77) domestic subsidiaries and 35 (previous year: 38) foreign subsidiaries are included in the consolidated accounts. Additionally, 29 (previous year: 28) domestic and 6 (previous year: 5) foreign associated companies were valued under the equity method. No significant acquisitions took place during the year under review.

The list of shareholdings (see enclosure) shows the subsidiaries and associated companies that are included. Companies that are of minor relevance to the consolidated accounts are not included; a total of 86 (previous year: 88) subsidiaries were not included in the consolidation.

PORR AG is entitled to the majority of the voting rights in respect of one subsidiary, but it does not have control of the company due to a voting trust agreement. This company is accounted for at equity.

3. CONSOLIDATION PRINCIPLES

Business combinations are accounted for according to the purchase method. According to this method, the assets acquired and liabilities transferred are valued on the purchase date at their fair values attributable at this date. Where the difference between the acquisition costs and the attributable proportion of net assets valued at fair value relates to an asset, this item is shown as goodwill, which is not written off in regular amounts but is subjected to an annual test for impairment. Where any difference relates to a liability, its effect on net income is accounted for immediately and shown in other operating income.

Pursuant to IFRS 3.62, an adjustment was made during the year under review in respect of the fair values attributable to the assets and liabilities as at the date of purchase of the WIBEBA Group, which was acquired in 2005. There were a number of insignificant effects on net income as a result of this adjustment, which were recorded in the current fiscal year.

All accounts receivable and payable between companies included in consolidation are eliminated during debt consolidation. Group-internal income and expenditure is offset within the framework of consolidation of income and expenditure. Intercompany profits or losses from Group-internal deliveries are eliminated, if these relate to significant amounts and the relevant assets are still accounted for in the consolidated accounts.

Shares in net assets of subsidiaries not attributable to PORR AG are shown separately as part of equity capital under the designation "shares of minority shareholders".

4. ACCOUNTING AND VALUATION METHODS

The annual financial statements of all companies included in the consolidated accounts are prepared according to standard accounting and valuation methods.

Valuation principles

Historic acquisition costs form the basis for the valuation in respect of intangible assets and tangible assets (except for real estate) and in respect of loans, inventories, accounts receivable from billed orders and liabilities.

The attributable fair value at the balance sheet date is the basis for the valuation in respect of securities available for sale, derivative financial instruments and financial real estate, and the attributable fair value at the date of revaluation is the basis for the valuation in respect of real estate used by the group.

Accounts receivable in respect of manufacturing contracts on which a final bill has not yet been raised, which are included under trade debtors, reflect the respective proportion of revenue corresponding to the degree of completion at the balance sheet date less any payments already made by the customer.

Currency translation

The companies included in the consolidated accounts prepare their annual financial statements in their respective functional currencies, where the functional currency is the relevant currency for the commercial activities of the company concerned. The functional currency for each of the companies included is the currency of that country in which the company concerned is domiciled.

Balance sheet items of companies included in the consolidated accounts are translated at the mean rate of exchange at the balance sheet date and profit and loss account items are translated at the annual mean rate of exchange for the fiscal year (as an arithmetic mean of all end-of-month quotations). These annual mean rates of exchange applied to the translation of items of the profit and loss accounts led to accumulated amounts in the reporting currency, which only deviated slightly from the accumulated amounts, which would have been shown on a translation of the transactions at the rate at the date of each transaction. Differences resulting from the currency translation are classified as equity capital. These translation differences are reflected in the current result at the date of disposal of the business activities.

In the event of company purchases, adjustments of the book values of the acquired assets and transferred liabilities to the attributable value at the date of purchase or, if applicable, goodwill, are treated as assets or liabilities of the acquired subsidiary and are, accordingly, subject to currency translation.

Exchange gains or losses on transactions undertaken by companies included in the consolidation in a currency other than the functional currency are reflected in net income. Monetary items not denominated in the functional currency held by companies included in the consolidation are translated at the mean rate ruling on the balance sheet date. Exchange gains or losses resulting from this translation are also reflected in net income.

Intangible assets are capitalised at acquisition cost and written down on a straight-line basis over the probable useful life.

Rates of amortisation:

Building rights	1.7 to 5.9%
Rental rights	2.0 to 50.0%
Licences	1.0 to 50.0%
Concessions	5.0 to 50.0%
Mining rights	Depends on assets

The amortisation apportionable to the fiscal year is shown in the profit and loss account under the item "amortisation/depreciation of intangible and tangible fixed assets".

If an impairment, which is not simply temporary, is established, the relevant intangible assets are written down to the attainable amount, which is the attributable fair value less costs of sale or the value in use, if higher. If the impairment ceases to apply, a write-up is performed equivalent to the amount of the increase in value, but to a maximum of the value calculated by applying the scheduled depreciation to the original acquisition cost or manufacturing cost.

The value of the company (goodwill) is recorded as an asset and is, pursuant to IFRS 3 in conjunction with IAS 36, reviewed once annually for any impairment, as well as at any other time where circumstances exist that indicate there may be a possible impairment. The effect of any impairment on the current result is recognised immediately. Any subsequent increases in value are not recognised.

Tangible assets (except for real estate) are valued at cost, including incidental costs less reductions in the acquisition costs, or at manufacturing cost, and the previously accumulated and regularly applied straight-line depreciation during the year under review, the following rates of depreciation being applied:

Technical equipment and machinery	5.0 to 50.0%
Other plants, factory and business equipment	2.0 to 50.0%

The useful life for machines and mechanical plant or factory and business equipment is normally determined using the "Österreichische Baugeräteliste" produced by the Association of Austrian Building Contractors (VIBÖ) and based on the fair value or the technical service life.

If an impairment, which is not simply temporary, is established, the relevant tangible assets are written down to the attainable amount, which is the attributable fair value less costs of sale or the value in use, if higher. If the impairment ceases to apply, a write-up is performed equivalent to the amount of the increase in value, but to a maximum of the value calculated by applying the scheduled depreciation to the original acquisition cost or manufacturing cost. Fundamental rebuilding work is capitalised, while ongoing maintenance work, repairs and minor rebuilding work are recognised in expenses at the time they arose.

Real estate used for operational purposes is valued according to the revaluation method pursuant to IAS 16.31. External opinions or assessments from internal experts are used as the basis for determining fair values. Revaluations are performed so regularly that the book values do not deviate significantly from the fair values attributable at the balance sheet date. The book value is adjusted to the respective fair value with neutral effect on income by using a revaluation reserve in equity capital. The revaluation reserve is reduced by the applicable deferred tax liability. Regular depreciation of revalued buildings carried out according to the straight-line method, where the depreciation rates lie essentially between 1% and 4%, are recognised in the profit and loss account. On a subsequent sale or decommissioning of revalued land or buildings the amount recorded in the revaluation reserve in respect of the relevant plot of land or building is transferred directly to retained earnings.

Plant under construction including buildings under construction, which are to be used for operational purposes or whose type of use has not yet been established, are accounted for at acquisition cost or manufacturing cost less depreciation as a result of impairments. Costs of borrowed capital are generally not included in acquisition cost or manufacturing cost. Depreciation of these assets commences upon their completion or attainment of operational status.

Financial real estate is real estate that is held for the purpose of obtaining rental income and/or for the purpose of its rise in value. This includes office and commercial premises, residential buildings and unimproved land. These are shown at their attributable fair values. Gains or losses from changes in value are reflected in the result for the period in which the change in value occurred.

The basis for the valuation of the financial real estate valued at attributable fair value was essentially derived from the market value opinions of independent experts. In the absence of such expert opinions the values in use on the balance sheet date were determined. The value in use is the present value of the estimated future cash flows expected to arise from the use of the real estate.

Leases are classified as finance leases when, according to the lease contract, essentially all the risks and rewards relating to the ownership are transferred to the lessee. All other leases are classified as operating leases.

The Group as lessor
Where the Group is the lessor, the only lease contracts applicable are operating leases. The rental income from these contracts is reflected in net income on a straight-line basis over the term of the corresponding lease.

The Group as lessee
Assets held under finance leases are recorded as Group assets at their attributable fair values or at the present value of the minimum lease payments if this is lower, at the beginning of the lease. The minimum lease payments are those amounts payable during the non-terminable term of the lease, including a guaranteed residual value. The corresponding liability owed to the lessor is recorded in the balance sheet as obligations under finance leases. The lease payments are apportioned between interest paid and reduction of the lease obligation in such a way as to achieve a constant rate of interest on the

remaining liability. Interest paid is recognised in the profit and loss account. Rental payments on operating leases are allocated to the result for the period on a straight-line basis over the term of the corresponding lease.

Shareholdings in associated companies and in joint ventures are accounted for at acquisition cost, which is apportioned between the pro rata net assets acquired valued at the attributable fair values and, if applicable, goodwill. The book value is increased or decreased annually by the proportionate annual surplus or deficit, dividends received and other changes to equity capital. The amounts in respect of goodwill are not amortised in scheduled amounts, but are, once annually, as well as at any other time where circumstances exist that indicate there may be a possible impairment, subjected to an impairment test pursuant to IAS 36. If the attainable amount falls below the book value, the difference is written off.

Loans are valued at acquisition cost.

Shares in non-consolidated companies and other shareholdings shown under other financial assets are valued at acquisition cost, as reliable attributable fair values cannot be determined for these. If an impairment is established, they are written down to the attainable amount. Securities available for sale are valued at attributable fair values and any changes in value are booked to equity capital with a neutral effect on income.

Raw materials and supplies are valued at the lower of acquisition cost and net realisable value.

Land intended for sale is valued at the lower of acquisition cost, manufacturing cost and net realisable value. Borrowed capital is not generally included in acquisition cost or manufacturing cost.

Manufacturing contracts are accounted for according to the stage of completion of the contract (percentage of completion method). The anticipated revenues from the contracts are shown under gross revenues according to the respective degree of completion. The degree of completion, which is the basis for the amount of the contract revenues shown, is, as a rule, determined according to the ratio of the services supplied compared to the estimated total services at the balance sheet date. Where the result of a manufacturing contract cannot be reliably estimated, the amount of the accumulated contract costs alone shall represent the amount recorded for contract revenues. The contract costs are recorded as an expense for the period in which they are incurred. If it is probable that the total contract costs will exceed the total contract revenues, the expected loss is recognised immediately and in full.

The revenues attributable to the services supplied so far according to the degree of completion are, to the extent that they exceed the payments on account made by the customer, shown in the balance sheet under trade debtors. Amounts by which the payments on account received exceed the revenues attributable to the services supplied so far are shown under liabilities.

Where manufacturing contracts are executed in joint ventures, the realisation of profit is also performed by taking account of the percentage of completion method. Impending losses from further construction work are accounted for by means of corresponding decreases in value. In addition to capital contributions, the accounts receivable and payable with respect to joint ventures include other receipts less withdrawals, receivables from supplies or services to the relevant joint venture and the proportion of the result of the joint venture attributable to companies included in the consolidated accounts.

Accounts receivable are fundamentally accounted for at nominal values. Where risks existed regarding recovery, value adjustments have been formed.

Deferred tax items are formed where there are differences between valuations of assets and liabilities in the consolidated accounts on the one hand and the values for tax purposes on the other hand in the amount of the anticipated future tax liability or tax relief. In addition, a deferred tax asset for future assets resulting from tax loss carry-forwards is recognised if there is sufficient certainty of realisation. Differences arising from goodwill that cannot be deducted for tax purposes constitute exceptions to this comprehensive tax deferral.

The calculation of the deferred tax amount is based on the rate of income tax valid in the country concerned; for Austrian companies this is a tax rate of 25%.

Together with TEERAG-ASDAG AG, a subsidiary in which PORR AG has a 52.5 participation, and the subsidiaries of TEERAG-ASDAG AG, PORR AG forms a group of companies pursuant to § 9 Austrian Corporation Tax Act (öKStG) with the minority shareholders of TEERAG-ASDAG AG as co-participants of the consortium. The tax on the proportion of taxable result corresponding to its share of capital is incumbent upon the minority shareholder, who passes the tax effects onto TEERAG-ASDAG AG in accordance with a tax equalisation agreement. The tax levy is shown in the Group accounts as if it were an original tax expense. The deferred tax items are determined as if 100% of the Group result were subject to tax.

The provisions for severance payments, pensions and anniversary bonuses were determined by the projected unit credit method in accordance with IAS 19, which involves an actuarial assessment being performed on each reference date. In the valuation of these provisions, an interest rate for accounting purposes of 4.7% p.a. (previous year: 4.7%) was applied with pay increases of 2%. When determining provisions for severance payments and anniversary bonuses, deductions were made for fluctuations based on statistical data.

Actuarial gains and losses are recognised in full in the result of the period in which they arise. Length of service costs are shown in personnel costs. Interest paid is recorded as a financial expense.

Other provisions take account of all discernible risks and contingent liabilities. They are entered at the level of those amounts which are probably required to meet the underlying obligation.

Liabilities are stated at the nominal value. If the amount of the repayment is lower or higher, this is written down or up according to the effective interest method.

Derivative financial instruments are valued at attributable fair values.

Gross revenues are valued at the attributable fair value of the consideration. Discounts, sales taxes and other taxes related to the sale are set off against this amount. Revenues from the sale of goods are recognised on delivery and transfer of ownership. Revenues from manufacturing contracts are recognised according to the degree of completion allocated over the period of the contract.

Interest income is defined by taking account of the amount of each loan outstanding and the applicable rate of interest. Dividend income from financial investments is recognised when legal title arises.

Estimates and assumptions by management, which relate to the extent and disclosure of reported assets and liabilities and income and expenses as well as the notes regarding contingent liabilities, are inevitably linked to the preparation of annual financial statements. Estimates and assumptions relate mainly to the following:

- assessing the value of manufacturing contracts up to the end of the project, particularly with regard to accounting for supplements, the amount of the contract revenues to be defined according to the percentage of completion method and the estimate of the probable contract profit or loss,
- determining of the useful economic lives of tangible assets,
- estimating the attributable fair values of financial real estate,
- accounting for and valuing provisions,
- testing the recoverability of assets,
- assessing the recoverability of deferred tax assets.

Amounts actually arising in the future may deviate from estimates.

Changes to comparative information

The following adjustments were made in accordance with IAS 1.38:
Anniversary bonus provisions of TEUR 6,854.0 were reclassified from short-term to long-term provisions and provisions for claims of TEUR 9,253.9 from short-term provisions to short-term liabilities. In addition other liabilities of TEUR 34,442.6 were allocated to short-term and long-term financial liabilities. Assets of TEUR 4,651.0 were reclassified from intangible assets to tangible assets. Income from the release of provisions of TEUR 20,302.4, which was shown under other operating income, was also netted off against cost of purchased services.

New accounting standards

The following published Standards and Interpretations relevant to the preparation of consolidated accounts did not need to be applied compulsorily to fiscal years beginning on or prior to 1 January 2006, and the voluntary option to apply them early was also not exercised.

IFRS 7 – Financial instruments: disclosures: This Standard requires information on the significance of financial instruments for an entity's financial position and performance and contains new requirements regarding reporting on risks associated with financial instruments. These regulations come into force for fiscal years beginning on or after 1 January 2007, and are being applied from fiscal year 2007. Significant effects on group accounting practices are not expected.

IFRS 8 – Operating segments: This Standard provides a framework for segment reporting. A segment is defined as a component of an entity or group of entities, for which separate financial information is available, which is regularly reviewed by corporate management when making decisions on the allocation of resources and on the assessment of its performance. This Standard must be applied compulsorily for business years beginning on or after 1 January 2009, and it will affect the form and content of Group segment reporting.

IFRIC 7 – Applying the restatement approach under IAS 29 financial reporting in hyperinflationary economies: This Interpretation, which regulates the revaluation measures undertaken in the first year in which hyper¬inflation is established, meaning that IAS 29 is applicable, and which is applicable to fiscal years beginning on or after 1 March 2006, is currently not relevant to the Group. It will be applied with effect from fiscal year 2007.

IFRIC 8 – Scope of IFRS 2: IFRIC 8 states that IFRS 2 Share-based Payments is applicable to contracts according to which an entity grants share-based payments for nil or inadequate consideration. This Interpretation is applicable to fiscal years beginning on or after 1 May 2006, and will probably have no effect on Group accounting practices. It will be applied from fiscal year 2007.

IFRIC 9 – Reassessment of embedded derivates: This Interpretation deals with the anomalies of accounting for embedded derivatives according to IAS 39. According to the prerequisites mentioned in IAS 39.11, an assessment should be made as to whether the embedded derivative should be separated from the host contract and represented according to the accounting regulations for derivative financial instruments. IFRIC 9 is concerned with the issue of the point in time at which this assessment should be implemented, i.e. only at the time of conclusion of this type of hybrid contract or repeatedly over the life of the contract. IFRIC 9 stipulates that an assessment of whether the embedded derivative should be separated from the host contract can only be made at the time of conclusion of the contract. IFRIC 9 is applicable for fiscal years beginning on or after 1 June 2006. This Interpretation, which is currently not relevant to the Group, will be applied from fiscal year 2007.

IFRIC 10 – Interim financial reporting and impairment: This stipulates that impairment losses recognised in an interim report in respect of goodwill, an available-for-sale financial investment in equity instruments or a financial investment in equity instruments carried at cost should not then be reversed in subsequent annual financial statements, if no impairment or a lower loss in value is determined by an assessment at the closing date. This Interpretation is applicable to fiscal years beginning on or after 1 November 2006.

IFRIC 11 – IFRS 2: Group and Treasury share transactions: This Interpretation clarifies the accounting treatment of certain forms of share-based payments. It is currently not relevant to the Group.

IFRIC 12 – Service concession arrangements: This Interpretation regulates how PPP projects should be shown in the accounts. The Interpretation, which applies to fiscal years beginning on or after 1 January 2008, will be relevant to the Group, although there should not be significant changes to the way in which its financial position and performance are represented.

5. GROSS REVENUES

The gross revenues of TEUR 1,920,999.2 (previous year: TEUR 1,828,220.2) include the invoiced construction work of own construction sites, goods and services to joint ventures, shares of profit from joint ventures and other revenues from ordinary activities.

The following table shows the overall Group performance according to business areas, in which the output from contracts carried out by joint ventures is also recognised together with the proportion attributable to a company included in the consolidated accounts, and then transferred to gross revenues.

in EUR thousand	2006	2005
Business areas		
Road construction – T-A Group	817,494.6	787,288.2
Civil engineering – PTU Group	855,280.7	880,925.8
Building construction – PPH Group	649,947.7	589,749.6
Total Group performance	**2,322,723.0**	**2,257,963.6**
of which proportional performance from joint ventures associated companies and subsidiary companies and shareholdings	–401,723.8	–429,743.4
Gross revenues	**1,920,999.2**	**1,828,220.2**

6. OTHER OPERATING INCOME

in EUR thousand	2006	2005
Income from the sale of tangible assets and adjustments to financial real estate	10,935.8	19,101.7
Other	38,234.8	38,770.7
Total	**49,170.6**	**57,872.4**

Other operating income mainly comprised revenue from the provision of staff and workshop services, insurance payments, rental payments and exchange gains.

7. COST OF MATERIALS AND OTHER PURCHASED MANUFACTURING SERVICES

in EUR thousand	2006	2005
Expenditure on raw materials and supplies and for purchased goods	–389,139.9	–389,456.7
Expenditure on purchased goods and services	–834,206.2	–752,026.9
Total	**–1,223,346.1**	**–1,141,483.6**

8. PERSONNEL COSTS

in EUR thousand	2006	2005
Wages and salaries	–408,384.4	–396,476.5
Social welfare expenses	–98,523.3	–100,012.1
Expenditure on severance payments and pensions	–8,827.0	–15,829.7
Total	**–515,734.7**	**–512,318.3**

Expenditure on severance payments and pensions includes the prior service costs and actuarial gains/losses. This item also includes contributions to the staff provision fund for employees who commenced employment with an Austrian group company after 31 December 2002, and voluntary severance payments.

The interest expense arising from severance payments and pension obligations is shown under the item financial expenditure.

9. DEPRECIATION

Amortisation of TEUR 4,388.8 (previous year: TEUR 3,947.1) was applied to intangible assets and depreciation of TEUR 39,107.1 (previous year: TEUR 43,272.4) to tangible assets. For more detailed information please refer to notes 15 and 16.

10. OTHER OPERATING EXPENSES

Other operating expenses essentially comprise office running costs, accommodation and travel expenses, taxes and duties, legal, audit and consultancy costs, advertising expenditure, other third party services, general administrative costs and shares of losses from contracts carried out by joint ventures.

They also include rental payments from rental and leasing contracts of TEUR 1,355.6.

11. INCOME FROM OTHER FINANCIAL ASSETS AND CURRENT FINANCIAL ASSETS

in EUR thousand	2006	2005
Result from shareholdings	635.2	2,451.6
(of which from affiliated companies)	(–72.9)	(–134.6)
Income/expenditure from financial assets and current asset securities	1,603.3	3,151.0
Interest and similar income	8,868.7	8,076.9
(of which from affiliated companies)	(3,926.9)	(1,981.8)
Total	**11,107.2**	**13,679.5**

12. FINANCIAL EXPENDITURE

in EUR thousand	2006	2005
Interest and similar expenditure relating to bonds	–9,044.2	–4,134.4
Other interest and similar expenditure	–30,695.3	–34,754.7
(of which from affiliated companies)	(–215.0)	(–2,424.3)
(of which interest expenditure from social overhead capital provisions)	(–5,107.5)	(–5,244.2)
Total	**–39,739.5**	**–38,889.1**

13. TAXES ON INCOME

Taxes on earnings are the taxes on income and earnings paid or owed in the individual countries, the tax allocation on the part of the co-participants (not belonging to the Group) of a tax group pursuant to § 9 Austrian Corporation Tax Act (öKStG) and the deferred tax items.

The calculation is based on tax rates that will be applicable pursuant to the prevailing tax laws or according to tax laws whose entry into force is essentially finalised, at the probable date of realisation.

in EUR thousand	2006	2005
Actual tax expense	3,327.6	6,393.6
Deferred tax expense/income	–623.9	–5,933.3
Tax expense (+)/income (-)	**2,703.7**	**460.3**

The non-periodic tax expense (or income) amounts to TEUR 336.8 (previous year: TEUR 352.9).

The tax expense resulting on application of the Austrian Corporation Tax rate of 25% can be reconciled to the actual expense as follows:

in EUR thousand	2006	2005
Result before income tax	35,322.5	32,434.6
Theoretical tax expense (+)/income (-)	8,830.6	8,108.6
Differences in rates of taxation	340.8	–2,664.6
Tax effect of non-deductible expenditure and tax-exempt income	–2,956.1	–3,847.6
Income/expenditure from shareholdings in associated companies	–2,774.9	– 1,479.5
Changes in deferred tax assets not applied in relation to loss carry-forwards	–686.5	753.0
Other	– 50.2	–409.6
Taxes on income and earnings	**2,703.7**	**460.3**

In addition to the tax expense recognised in the Group profit and loss account, the tax effect of expenses and income set off directly to equity capital was also allocated directly to equity capital.

14. EARNINGS PER SHARE

Earnings per share and per capital share certificate are calculated by dividing the proportion of the annual surplus relating to the shareholders of the parent company by the weighted average number of shares in issue including 7% in respect of preference shares and capital share certificates.

in EUR thousand	2006	2005
Proportion of annual surplus relating to shareholders of parent company	26,364.1	25,167.1
Weighted average number of issued shares and capital share certificates	2,033,550	2,023,831
Earnings per share in EUR	**12.96**	**12.44**

Likewise the earnings per ordinary share amounts to EUR 12.96 (previous year: EUR 12.44).

15. INTANGIBLE ASSETS

in EUR thousand	Concessions, licences and similar rights	Goodwill	Total
Acquisition costs and manufacturing costs			
Balance 1.1.2005	46,499.5	32,505.5	79,005.0
Additions/disposals due to changes in the consolidated entity	2,673.1	–	2,673.1
Additions	2,649.8	–	2,649.8
Disposals	–892.8	–	–892.8
Reclassifications	14.8	–	14.8
Currency adjustments	8.3	–	8.3
Balance 31.12.2005	50,952.7	32,505.5	83,458.2
Additions/disposals due to changes in the consolidated entity	14.9	–	14.9
Additions	6,522.7	901.6	7,424.3
Disposals	–416.1	–39.7	–455.8
Reclassifications	0.5	–	0.5
Currency adjustments	12.3	–	12.3
Balance 31.12.2006	57,087.0	33,367.4	90,454.4
Accumulated amortisation			
Balance 1.1.2005	14,537.0	19,150.9	33,687.9
Additions/disposals due to changes in the consolidated entity	1,187.6	–	1,187.6
Additions	2,623.9	1,323.2	3,947.1
Disposals	–817.3	–	–817.3
Reclassifications	–	–	–
Currency adjustments	7.5	–	7.5
Appreciation	–	–	–
Balance 31.12.2005	17,538.7	20,474.1	38,012.8
Additions/disposals due to changes in the consolidated entity	6.0	–	6.0
Additions	3,692.6	696.2	4,388.8
Disposals	–406.3	2.2	–404.1
Reclassifications	–	–	–
Currency adjustments	10.6	–	10.6
Appreciation	–	–	–
Balance 31.12.2006	20,841.6	21,172.5	42,014.1
Book values – balance 31.12.2005	**33,414.0**	**12,031.4**	**45,445.4**
Book values – balance 31.12.2006	**36,245.4**	**12,194.9**	**48,440.3**

The table shows only purchased intangible assets with a limited useful life. Please refer to the comments shown under accounting and valuation methods with regard to useful lives and methods of amortisation and depreciation.

Non-scheduled amortisation due to impairment losses and regular amortisation affecting net income are shown in the profit and loss account under "amortisation/depreciation of intangible and tangible fixed assets".

Goodwill resulting from the acquisition of companies is tested for impairment at the level of the segment to which it belongs in each particular case.

In EUR thousand	Balance 01.01.2006	Currency adjustments	Newly acquired goodwill	Impairment	Balance 31.12.2006
Road construction – T-A Group	8,467.8	–	–	– 529.4	7,938.4
Civil engineering – PTU Group	3,288.9	–	859.7	– 166.8	3,981.8
Building construction – PPH Group	274.7	–	–	–	274.7
Total	**12,031.4**	**–**	**859.7**	**– 696.2**	**12,194.9**

The impairment test involves comparing the total of the book values of the assets of the segment to which goodwill was allocated with the attainable amount of the same assets. The attainable amount of the segment corresponds to the attributable fair value less selling costs or the value in use, if this is higher. The attributable fair value reflects the best possible estimate of the amount for which an independent third party would acquire the segment at market conditions on the balance sheet date. In cases where no attributable fair value can be determined, the value in use, i.e. the present value of probable future cash flows generated by the segment, is laid down as the attainable amount. As an attributable fair value could not be established for any of the segments to which goodwill has been allocated, the value in use of these segments was determined in order to establish the attainable amount. The cash flows were derived from budgets for subsequent years approved by the Executive Board and current as at the time of the implementation of the impairment tests. These forecasts are based on past experience and expectations regarding future market developments. The discounting was carried out on the basis of the segment-specific capital costs. These segment-specific capital costs lay within a range of 3.44% to 4.67% before tax.

16. TANGIBLE ASSETS

in EUR thousand	Land, land rights and buildings including buildings on land owned by others	Technical equipment and machinery	Other plant, factory and business equipment	Payments on account and assets in the course of construction	Total
Acquisition costs and manufacturing costs					
Balance 01.01.2005	294,922.7	337,193.9	79,097.4	16,182.1	727,396.1
Additions/disposals due to changes in the consolidated entity	9,527.6	9,878.3	8,082.6	–	27,488.5
Additions	7,289.7	10,459.9	14,978.8	7,580.0	40,308.4
Disposals	– 33,655.5	– 24,997.0	– 13,854.8	– 5,186.3	– 77,693.6
Reclassifications	1,166.9	602.9	105.7	– 1,890.3	– 14.8
Currency adjustments	606.0	1,149.2	458.9	26.4	2,240.5
Increase in value arising from revaluation	–	–	–	–	–
Balance 31.12.2005	279,857.4	334,287.2	88,868.6	16,711.9	719,725.1
Additions/disposals due to changes in the consolidated entity	510.5	477.0	269.3	141.5	1,398.3
Additions	2,463.8	41,334.5	16,343.7	7,303.8	67,445.8
Disposals	– 6,447.5	– 30,861.9	– 17,170.1	– 6,301.0	– 60,780.5
Reclassifications	10,374.0	– 181.2	755.0	– 13,917.2	– 2,969.4
Currency adjustments	641.8	1,341.1	599.7	82.6	2,665.2
Increase in value arising from revaluation	–	–	–	–	–
Balance 31.12.2006	287,400.0	346,396.7	89,666.2	4,021.6	727,484.5
Accumulated depreciation					
Balance 01.01.2005	59,342.5	246,451.6	57,516.3	188.2	363,498.6
Additions/disposals due to changes in the consolidated entity	1,879.0	9,142.4	6,705.4	–	17,726.8
Additions	8,223.5	21,109.3	13,939.6	–	43,272.4
Disposals	– 9,280.5	– 23,920.0	– 13,033.6	– 179.3	– 46,413.4
Reclassifications	–	–	–	–	–
Currency adjustments	49.5	849.7	355.0	–	1,254.2
Appreciation	–	–	–	–	–
Revision arising from revaluation	–	–	–	–	–
Balance 31.12.2005	60,214.0	253,633.0	65,482.7	8.9	379,338.6
Additions/disposals due to changes in the consolidated entity	4.4	– 332.9	62.7	–	– 265.8
Additions	6,450.6	17,462.3	15,194.2	–	39,107.1
Disposals	– 3,115.3	– 27,647.8	– 14,830.1	–	– 45,593.2
Reclassifications	– 416.9	– 173.5	130.2	–	– 460.2
Currency adjustments	30.6	1,002.2	352.0	–	1,384.8
Appreciation	–	–	–	–	–
Revision arising from revaluation	–	–	–	–	–
Balance 31.12.2006	63,167.4	243,943.3	66,391.7	8.9	373,511.3
Book values – balance 31.12.2005	**219,643.4**	**80,654.2**	**23,385.9**	**16,703.0**	**340,386.5**
Book values – balance 31.12.2006	**224,232.6**	**102,453.4**	**23,274.5**	**4,012.7**	**353,973.2**

Scheduled depreciation is shown under "amortisation/depreciation of tangible and intangible fixed assets". Non-scheduled depreciation as a result of impairment did not need to be carried out in respect of either the year under review or the previous year.

New estimates were carried out in respect of the expected useful lives of technical equipment and machinery during the year under review. These new estimates resulted in increases during the year under review of TEUR 2,530.8 in respect of mixing facilities and TEUR 2,691.2 in respect of other machinery, which had a positive effect on net income.

The book value for tangible assets that are pledged for security at the balance sheet date is TEUR 63,730.2.

The book value for land, land rights and buildings, including buildings on land owned by others would have amounted to TEUR 217,525.2 on application of the acquisition cost model as at 31 December 2006.

Book values of tangible assets held under finance leases amounted to:

in EUR thousand	2006	2005
Real estate leasing	79,467.1	78,605.2
Equipment leasing	21,303.9	954.4
Total	**100,771.0**	**79,559.6**

These are balanced by corresponding liabilities represented by the present value of the minimum lease payments, i.e. of TEUR 90,669.4 (previous year: TEUR 73,992.1).

The terms of the finance leases for real estate are between 5 and 23 years, and those relating to equipment leases between 3 and 10 years.

Operating leases

The Group essentially leases cars and individual items of real estate under operating leases. The average term of car leasing agreements is 4 years and the term of real estate leasing agreements is 18 to 20 years.

The following summary shows the future minimum lease payments during the non-terminable term of the operating leases:

in EUR thousand	2006
Due within 1 year	2,489.5
Due between 1 and 5 years	5,078.8
Due after 5 years	10,078.1

17. FINANCIAL REAL ESTATE

in EUR thousand	2006	
Attributable fair value		
Balance 01.01.2005	148,544.7	
Additions/disposals due to changes in the consolidated entity	–	
Additions	129.3	
Disposals	–595.0	
Reclassifications	–	
Currency adjustments	215.9	
Adjustment to attributable value	–	
Balance 31.12.2005	**148,294.9**	
Additions/disposals due to changes in the consolidated entity	8,163.7	
Additions	1,946.7	
Disposals	–2,413.0	
Reclassifications	2,508.7	
Currency adjustments	246.6	
Adjustment to attributable value	3,536.5	
Balance 31.12.2006	**162,284.1**	

The attributable fair value is determined according to recognised valuation methods, namely by being inferred from a current market price, by being inferred from a price attained in a transaction with similar items of real estate in the recent past, or mostly, however, for want of suitable market data, by discounting estimated future cash flows that are usually generated in the market by this type of real estate. The attributable fair value is mostly determined by accredited external experts.

Financial real estate with a book value of TEUR 40,783.5 is pledged as collateral for liabilities.

18. SHAREHOLDINGS IN ASSOCIATED COMPANIES

in EUR thousand	2006	2005
Acquisition costs	34,358.4	33,513.6
Share of profit attained since acquisition less dividends received and profit transfers	40,279.9	30,875.6
Book values	**74,638.3**	**64,389.2**

The following summaries show condensed financial information relating to the associated companies:

in EUR thousand	2006	2005
Assets	669,424.6	616,280.6
Liabilities	513,275.8	475,328.9
Net assets	156,148.8	140,951.7
Group share of net assets	74,638.3	64,389.2

in EUR thousand	2006	2005
Gross revenues	271,354.3	215,945.4
Surplus for the year	40,081.6	26,438.3
Group share of surplus for the year	16,296.0	8,335.3

Non-recognised shares of losses of associated companies for fiscal year 2006 amount to TEUR -113.2 (previous year: TEUR 0.0) and the accumulated amount as of 31 December 2006 comes out at TEUR -861,2 (previous year: TEUR -748.0).

The attributable fair value of the shareholding in quoted company UBM AG as of 31 December 2006 was TEUR 53,855.1 (previous year: TEUR 51,998.0).

19. OTHER FINANCIAL ASSETS

in EUR thousand	2006	2005
Shareholdings in non-consolidated subsidiaries	9,473.7	4,279.6
Other shareholdings	26,183.7	26,524.0
Securities available for sale	23,534.6	26,606.1
Total	**59,192.0**	**57,409.7**

Securities available for sale mainly comprise fixed-interest instruments. They are not subject to any restrictions on disposal. As regards the securities available for sale, the book value shown corresponds to the attributable fair value. As regards the shareholdings, the attributable fair value cannot be determined reliably, meaning that they are recognised at their acquisition costs less any amortisation in respect of impairment.

20. LOANS

	2006		2005	
in EUR thousand	long-term	short-term	long-term	short-term
Loans to companies in which there is a participating interest	2,027.3	–	1,971.8	–
Loans to associated companies	8,462.1	30.0	1,183.8	–
Other loans	4,279.7	106.1	4,198.3	820.3
Total	**14,769.1**	**136.1**	**7,353.9**	**820.3**

21. INVENTORIES

Inventories comprise the following:

in EUR thousand	2006	2005
Land intended for sale	7,020.4	8,520.7
Finished and unfinished products and merchandise	1,145.9	1,223.4
Raw materials and supplies	41,407.4	41,776.8
Payments on account	11,909.0	5,728.9
Total	**61,482.7**	**57,249.8**

Inventories are not subject to any restrictions on disposal.

22. TRADE DEBTORS

Manufacturing contracts

The manufacturing contracts valued by the percentage of completion method as of the balance sheet date but not yet finally settled, are stated as follows:

in EUR thousand	2006	2005
Contract values defined according to POC method	799,574.4	762,250.1
Less attributable payments on account	–608,811.0	–610,636.7
Total	**190,763.4**	**151,613.4**

Proportional contract values capitalised according to the stage of completion of the contract as of 31 December 2006 are balanced by contract costs valued at TEUR 732,016.6 (previous year: TEUR 709,369.1). Payments on account including preliminary payments on invoices for partial delivery are shown under liabilities, where these exceed proportional contract values capitalised according to the stage of completion of the contract.

Composition and terms to maturity of trade debtors:

in EUR thousand	31.12.2006	Remaining term >1 year	31.12.2005	Remaining term >1 year
Receivables from third parties	495,634.8	22,553.5	404,138.0	11,301.7
Receivables from joint ventures	66,609.5	–	67,108.8	–
Receivables from non-consolidated subsidiaries	63,055.8	59.3	58,783.7	1,350.8
Receivables from other shareholdings	44,799.0	7,385.0	34,842.1	–
Receivables from associated companies	24,124.9	–	25,117.2	–
Total	**694,224.0**	**29,997.8**	**589,989.8**	**12,652.5**

Trade debtors include contractual retentions of TEUR 74,860.9.

23. OTHER RECEIVABLES AND ASSETS

in EUR thousand	31.12.2006	Remaining term >1 year	31.12.2005	Remaining term >1 year
Receivables from insurance	11,347.2	–	12,966.4	–
Tax repayable	11,577.0	–	7,250.9	–
Other receivables and assets	35,634.6	13,137.0	59,545.7	8,630.2
Total	**58,558.8**	**13,137.0**	**79,763.0**	**8,630.2**

24. LIQUID FUNDS

The liquid funds include cash at banks amounting to TEUR 67,306.7 (previous year: TEUR 96,073.7) and cash in hand of TEUR 582.5 (previous year: TEUR 5,541.4). A balance of TEUR 3,000.0 included within cash at banks serves as collateral for obligations taken over in connection with the ABS loan (cf. note 29) meaning that this balance is not freely available to the Group.

25. DEFERRED TAXES

The following tax deferments stated on the balance sheet arise from temporary differences between the valuations in the IFRS consolidated accounts and the respective valuations for tax purposes as well as from realisable loss carry-forwards:

	2006 Corporate tax rate 25%		2005 Corporate tax rate 25%	
in EUR thousand	Assets	Liabilities	Assets	Liabilities
Tangible assets, other valuation differences	–	25,232.9	–	27,093.3
Percentage of completion	–	17,746.9	–	14,466.9
Untaxed reserves	–	7,293.9	–	7,710.1
Provisions	–	– 269.5		– 4,613.5
Tax loss carry-forwards	40,660.1	–	34,902.5	–
Set-offs	**– 14,260.0**	**– 14,260.0**	**–**	**–**
Deferred taxes	**26,400.1**	**35,744.2**	**34,902.5**	**44,656.8**
Net deferred taxes		**9,344.1**		**9,754.3**

in EUR thousand	2006	2005
Net deferred taxes	9,344.1	9,754.3
Change	410.2	10,590.9
of which relating to currency difference	– 89.7	– 71.5
of which relating to expense/income according to profit and loss account	623.9	5,933.3
of which relating to additions in respect of acquisitions of subsidiaries	–	4,729.1
of which relating to expense/income set off directly	– 124.0	–
Total	**410.2**	**10,590.9**

Deferred tax assets based on loss carry-forwards are capitalised to the extent that these can probably be offset against future taxable profits.

As regards loss carry-forwards, where these exceeded offsettable adverse temporary differences, deferred tax assets of a total of TEUR 22,715.1 were recognised as of 31 December 2006 from group companies which closed with a loss in respect of the year under review and also in respect of previous years. The budgets, together with tax planning measures, show that the loss carry-forwards can be used.

The loss carry-forwards for which no deferred tax assets were recognised, amount to TEUR 40,130.0. The loss carry-forwards can be carried forward essentially without restriction, both those for which the deferred tax assets have been recognised and those for which no deferred tax assets were recognised.

26. EQUITY CAPITAL

Share capital	Stück	EUR
Ordinary bearer shares	1,341,750	9,750,877.53
7% bearer preference shares (without voting rights)	642,000	4,665,595.95
Total share capital	**1,983,750**	**14,416,473.48**

The shares are authorised and fully issued no par value shares which are fully paid in. The amount of share capital for each bearer share is approximately 7.27 EUR. There were no changes during the year under review.

Each ordinary share participates in profits including profits on liquidation to the same extent and each share entitles the bearer to one vote at the annual shareholders' meeting.

Participatory rights pursuant to § 174 Stock Corporation Act	No. of shares	EUR
Capital share certificates	49,800	361,910.71

The participatory rights are no par value capital share certificates. They grant a share in the profit (minimum percentage as with preference shares), offer protection from dilution and are made out to bearer. On liquidation of the company, it is primarily the holders of capital share certificates who receive any remaining shares in the profit from the remaining liquidation proceeds and the pro rata amount of the capital apportioned to capital share certificates. However, these certificates do not confer any shareholder rights such as voting rights, subscription rights or rights of appeal.

Distribution of unappropriated retained earnings is regulated as follows by the articles of association: in the first instance up to 7% of the share capital relating to the preference shares and of the capital relating to the capital share certificates is distributable as a profit share to the preference shareholders and holders of capital share certificates and any remainder of preference dividends or profit shares relating to the capital share certificates from previous years is payable subsequently, then the ordinary shareholders receive up to 7% of the share capital relating to the ordinary shares as a profit share; any unappropriated retained earnings exceeding that amount intended for distribution according to the Executive Board's proposed profit distribution shall be distributed equally between preference and ordinary shareholders and holders of capital share certificates, where the annual shareholders' meeting does not determine any other appropriation.

27. RESERVES

The capital reserves result largely from the capital increases, adjustments and statute-barred dividend claims arising from previous years. The capital reserves include an amount of TEUR 33,682.7 which is allocated. It may only be released to compensate for an accumulated loss which would otherwise be shown in the annual financial statements of PORR AG, to the extent that free reserves are not available to cover this.

The other reserves comprise the revaluation reserve, the foreign exchange translation differences, other profits or losses to be set off directly against equity capital, retained earnings and the unappropriated retained earnings of PORR AG including the statutory reserve and the untaxed reserves after deducting deferred tax items, retained profits from subsidiaries since their acquisition and the effects of adjusting the annual financial statements of companies included in the consolidated accounts to the accounting and valuation methods used in the consolidated accounts. Unappropriated retained earnings of TEUR 3,578.2 are available for distribution to the shareholders of PORR AG. In addition the unallocated retained earnings of PORR AG, which come to TEUR 57,431.6 as of 31 December 2006, may be released and distributed to the shareholders of PORR AG. The statutory reserve of PORR AG of TEUR 458 may only be released to compensate for an accumulated loss which would otherwise be shown, whereby the release to cover the loss is not impeded by free reserves being available to compensate for the loss.

During the year under review, dividends or profit shares of EUR 3,538,377.00, being EUR 1.74 per share or capital share certificate, were paid to shareholders and holders of capital share certificates. The Executive Board proposes to distribute a dividend from the 2006 unappropriated retained earnings of EUR 1.74 per ordinary share, preference share or capital share certificate, amounting to a total of EUR 3,538,377.00.

Shares in the equity capital of subsidiaries not belonging to PORR AG or a group company are shown in the equity capital as shares of minority shareholders.

28. PROVISIONS

in EUR thousand	Severance payments	Pensions	Anniversary bonuses	Other staff provisions	Buildings	Other	Total
Balance as of 01.01.2006	48,867.6	53,063.6	6,854.0	45,707.6	55,269.4	7,703.8	217,466.0
Transfer	1,975.2	1,552.0	557.3	26,628.7	36,134.8	1,460.9	68,308.9
Appropriation/liquidation	1,482.6	2,920.7	–	27,365.8	42,814.2	3,794.9	78,378.2
Balance as of 31.12.2006	**49,360.2**	**51,694.9**	**7,411.3**	**44,970.5**	**48,590.0**	**5,369.8**	**207,396.7**
of which relating to long-term	49,360.2	51,694.9	7,411.3	–	–	–	108,466.4
of which relating to short-term	–	–	–	44,970.5	48,590.0	5,369.8	98,930.3

PORR AG and its subsidiaries must pay their employees in Austria and Germany anniversary bonuses on certain anniversaries according to collective agreements. The provision for anniversary bonuses was determined in accordance with the provisions of IAS 19. Please refer to the notes under the accounting and valuation methods with regard to the actuarial assumptions underlying the calculation.

The other staff provisions consist in particular of provisions for holidays not taken and for bonuses. A claim on the group arising from these obligations can be anticipated, in which case the bonuses will also be payable in the following year; however, the time taken to use up holidays not taken may extend over a period of more than one year.

At TEUR 16,780.3 (previous year: TEUR 15,014.9), provisions for buildings mainly represent provisions for impending losses arising from the backlog of orders and, at TEUR 8,797.3 (previous year: TEUR 5,427.4), provisions for guarantees. Provisions for impending losses are based on current contract calculations. Provisions for guarantees and other contract risks are determined on the basis of an individual assessment of the risks. Claims arising against the group from these risks are deemed to be probable, in which case the recognised amount corresponds to the best possible estimate of the amount of the claim. As building contracts can take several years to be carried out, and any claim possibly precedes a long ongoing legal dispute, the time of the claim is uncertain but will as a rule lie within one operating cycle.

PENSION PLANS

Defined benefit plans

Provisions for severance pay were created for employees (blue collar and salaried) who have claims to severance payments pursuant to the Employee Act, the Wage Earners' Severance Pay Act or works agreements. Employees whose employment is subject to Austrian law, if the relevant employment began prior to 1 January 2003 and lasted for at least ten years, have a claim to severance pay where the employment is terminated upon the employee's reaching the statutory age of retirement. The amount of the severance pay depends on the amount of the pay at the time of termination and of the length of the employment. These employee claims should therefore be treated as claims under defined benefit pension plans, in which case plan assets do not exist to cover these claims. Similar considerations apply to employees to whom severance pay is due pursuant to the Wage Earners' Severance Pay Act and for severance pay payable pursuant to works agreements. The Construction Workers' Leave and Severance Pay Act 1987 applies to the majority of blue collar workers, according to which their claims are directed towards the holiday pay and severance pay fund to be financed by employer's contributions. This is a state plan, for which a severance pay provision does not need to be created.

Pension commitments are as a rule defined benefit commitments which are not covered by plan assets. The amount of the pension claim depends on the number of years' service in each case.

The movements within provisions for severance pay were as follows:

in EUR thousand	2006	2005
Present value of severance obligations (DBO) as of 1.1.	48,867.6	38,872.1
Acquisition of subsidiaries	–	4,906.8
Prior service cost	2,675.7	2,408.3
Interest paid	2,167.7	2,159.0
Severance payments	–5,146.2	–4,204.8
Actuarial profits/losses	795.4	4,726.2
Present value of severance obligations (DBO) as of 31.12.	**49,360.2**	**48,867.6**

Please refer to the notes on the accounting and valuation methods with regard to the actuarial assumptions underlying the calculation.

The present values of severance obligations are as follows for the year under review and the four previous fiscal years:

in EUR thousand	2006	2005	2004	2003	2002
Present value of severance obligations as of 31.12.	49,360.2	48,867.6	38,872.1	37,926.0	38,656.6

The movements within pension provisions were as follows:

in EUR thousand	2006	2005
Present value of pension obligations (DBO) as of 1.1.	53,063.6	47,072.0
Acquisition of subsidiaries	–	3,409.7
Prior service cost	614.9	646.4
Interest paid	2,425.4	2,631.3
Pension payments	–3,121.8	–4,626.6
Actuarial profits/losses	–1,287.2	3,930.8
Present value of pension obligations (DBO) as of 31.12.	**51,694.9**	**53,063.6**

Please refer to the notes on the accounting and valuation methods with regard to the actuarial assumptions underlying the calculation.

The present values of pension obligations are as follows for the year under review and the four previous fiscal years:

in EUR thousand	2006	2005	2004	2003	2002
Present value of pension obligations as of 31.12.	51,694.9	53,063.6	47,072.0	44,482.3	47,487.6

Experience-based adjustments to the pension and severance obligations for the year under review correspond to the actuarial profits and losses of the period.

Defined contribution plans

Employees whose employment is subject to Austrian law and who commenced employment after 31 December 2002, and workers to whose employment the Construction Workers' Leave and Severance Pay Act is applicable, do not acquire any severance pay claims in respect of their respective employer. These employees, except for those to whose employment the Construction Workers' Leave and Severance Pay Act is applicable, are obliged to pay contributions of 1.53% of the wage or salary to an employee welfare fund.

Contributions are payable by the employer to the holiday pay and severance pay fund in respect of those employees whose employment is covered by the Construction Workers' Leave and Severance Pay Act. At the present time, 37% of the wage of relevant employees is payable to the holiday pay fund and 4% to the severance pay fund. This contribution covers employees' severance pay claims and other benefits, in particular the holiday pay and holiday allowance payable by the holiday pay and severance pay fund to the relevant employees. This state plan covers all the companies in the building sector. The benefits are financed on a pay-as-you-earn basis, i.e. the benefits falling due in a particular period are to be financed by the contributions of this same period, while the future benefits earned in the period under review will be funded by future contributions. The companies are not legally or actually obliged to pay these future benefits. The companies are only obliged to pay the prescribed contributions as long as they employ employees whose employment is covered by the Construction Workers' Leave and Severance Pay Act.

The employees of the PORR Group also belong to their country-specific, state pension plans, which are usually funded on a pay-as-you-earn basis. The Group is only obliged to pay the contributions when they become due. There is no legal or actual obligation to provide future benefits.

29. BONDS

As of the value date 29 June 2006, two bonds with the following conditions were issued by the Allgemeine Baugesellschaft – A. Porr AG :

Nominal amount	EUR 60,000,000.00
Tenor	2006 – 2011
Denomination	EUR 500.00
Nominal interest rate	5.625% p.a.
Coupon	29th June/29th December semi-annually
Redemption	29th June 2011 at 100%
Closing rate 31.12.2006	100.0
ISIN	AT0000A019D6
Book value	EUR 60,000,000.00

Nominal amount	CZK 200,000,000.00
Tenor	2006 – 2011
Denomination	CZK 2,000,000.00
Nominal interest rate	6-Month PRIBOR + 190BPS
Coupon	29th June/29th December semi-annually
Redemption	29th June 2011 at 100%
ISIN	AT0000A019E4
Book value	EUR 7,409,493.04

The bonds were issued for subscription on the Austrian capital market.

As of the value date 29 June 2005, a bond with the following conditions was issued by the Allgemeine Baugesellschaft – A. Porr AG:

Nominal amount	EUR 100,000,000.00
Tenor	2005 – 2010
Denomination	EUR 500.00
Nominal interest rate	4.5% p.a.
Coupon	29th June annually
Redemption	29th June 2010 at 100%
Closing rate 31.12.2006	96,1
ISIN	AT0000492707
Book value	EUR 100,000,000.00

The bond was issued for subscription on the Austrian capital market.

As of the value date 29 April 2005, Porr Financial Services AG, Altdorf, Switzerland (a fully consolidated 100% subsidiary of Allgemeine Baugesellschaft – A. Porr AG) issued an ABS bond as follows:

Nominal amount	EUR 72,000,000.00
Tenor	2005 – 2012
Denomination	EUR 50,000.00
Nominal interest rate	3.9675% p.a.
Coupon	30th April/31st October semi-annually
Redemption	30th April 2012 at 100%
Book value	EUR 72,000,000.00

The bond was issued on the Austrian capital market for subscription by institutional investors. This bond is not quoted on the stock exchange. It can be assumed, however, that its market value corresponds approximately to its book value. Receivables from customers with a first-class credit rating with a book value at the balance sheet date of TEUR 75,669.7 serve as security.

30. FINANCIAL LIABILITIES

in EUR thousand	2006	
Bank loans and overdrafts		
subject to interest at variable rates	211,759.6	
subject to interest at fixed rates	18,683.4	
Lease obligations		
subject to interest at variable rates	90,669.4	
Total	**321,112.4**	

Bank borrowings subject to variable rates of interest are mainly charged interest at the 3-month Euribor rate or the 6-month Euribor rate plus differing margins. During the year under review the 1-month Euribor rate fluctuated between 2.385% and 3.672%, the 3-month Euribor rate between 2.488% and 3.722% and the 6-month Euribor rate between

2.62% and 3.835%. The margins lay between 0.25% and 2.13%. Interest rates lay between 1.5% and 6% in respect of bank borrowings subject to interest at fixed rates.

The market value of the liabilities subject to variable rates of interest corresponds to an amount at least approximate to their book values. It can also be assumed with regard to the fixed-interest liabilities that the market value does not deviate essentially from the book value.

in EUR thousand	31.12.2006	Remaining term < 1 year	> 1 year < 5 years	> 5 years	of which secured by collateral
Bank loans and overdrafts	230,443.0	149,361.3	46,846.4	34,235.3	69,483.4
Lease obligations	90,669.4	8,309.4	30,494.4	51,865.6	90,669.4
Total	**321,112.4**	**157,670.7**	**77,340.8**	**86,100.9**	**160,152.8**

in EUR thousand	31.12.2005	Remaining term < 1 year	> 1 year < 5 years	> 5 years	of which secured by collateral
Bank loans and overdrafts	282,866.3	187,358.5	53,345.5	42,162.3	101,639.5
Lease obligations	73,992.1	5,213.9	14,235.7	54,542.5	73,992.1
Total	**356,858.4**	**192,572.4**	**67,581.2**	**96,704.8**	**175,631.6**

Bank loans and overdrafts include mortgage obligations of TEUR 2,837.4 (previous year: TEUR 3,105.1). The mortgage obligations comprise TEUR 1,453.1 (previous year: TEUR 58.5) with a remaining term of more than one year and TEUR 1,167.7 (previous year: TEUR 1,712.4) with a remaining term of more than five years.

Group obligations under finance leases are secured by the leased assets which are the property of the lessor under civil law.

Some items of real estate and equipment used by the Group itself are held under finance leases (cf. note 16). The interest rates for the lease obligations are between 2.64% and 5.91%. The interest component of the lease payments is usually continuously adjusted to the market interest rate. There are no agreements about conditional rental payments.

31. TRADE CREDITORS

in EUR thousand	31.12.2006	Remaining term < 1 year	> 1 year < 5 years	> 5 years	of which secured by collateral
Payments on account received on orders	36,681.2	36,681.2	–	–	–
Payables to third parties	274,880.7	264,014.2	10,635.8	230.7	–
Payables to joint ventures	45,411.7	45,411.7	–	–	–
Payables to non-consolidated subsidiaries	1,538.5	1,218.1	125.7	194.7	–
Payables to other shareholdings	2,699.3	2,599.7	99.6	–	–
Payables to associated companies	4,924.0	4,924.0	–	–	–
Total	**366,135.4**	**354,848.9**	**10,861.1**	**425.4**	**–**

in EUR thousand	31.12.2005	Remaining term < 1 year	> 1 year < 5 years	> 5 years	of which secured by collateral
Payables to third parties	266,172.2	255,465.0	10,057.5	649.7	–
Payables to joint ventures	53,268.6	53,268.6	–	–	–
Payables to non-consolidated subsidiaries	2,165.2	1,851.6	119.0	194.6	–
Payables to other shareholdings	4,106.7	4,045.1	61.6	–	–
Payables to associated companies	4,472.5	4,472.5	–	–	–
Total	**330,185.2**	**319,102.8**	**10,238.1**	**844.3**	**–**

32. OTHER LIABILITIES

This item mainly comprises tax liabilities, apart from income taxes, liabilities relating to social security and employees as well as accrued and deferred items.

With regard to manufacturing contracts, it also includes payments on account including preliminary payments on invoices for partial delivery, where these exceed proportional contract values capitalised according to the stage of completion of the contract.

33. TAX LIABILITIES

Current income tax liabilities are shown under tax liabilities.

34. CONTINGENT LIABILITIES

The contingent liabilities relate largely to loan guarantees and surety bonds. On the balance sheet date, the Group mainly provided guarantees in respect of associated companies and joint ventures. Apart from that the Group is jointly and severally liable for all joint ventures in which it participates. Claims arising from these liabilities are not likely.

35. NOTES ON SEGMENT REPORTING

Segment reporting is by business areas, reflecting the internal organisational structure of the PORR Group. The exchange of goods and services between segments demonstrates relationships between the business areas relating to goods and services. Amounts were offset at prices usually generated in the market. Intra-group income and expenses and interim profits are eliminated when reconciling to consolidated data. Intra-group receivables and liabilities in particular are removed as part of the consolidation of debts when reconciling segment assets or liabilities.

The segment ‘Road construction – T-A Group’ comprises the TEERAG-ASDAG AG sub-group. The companies within the sub-group work mainly in road construction. The spectrum of services performed by the companies in this segment also covers sealing work, concrete construction and bridge building, environmental protection technology and road markings.

The segment ‘Civil engineering – PTU Group’ comprises PORR AG and its subsidiaries which perform mainly civil engineering work. Further services are rendered by companies in this segment in the areas of railway construction, environmental technology and the supply of raw materials.

The segment ‘Building construction – PPH Group’ comprises the Porr Projekt und Hochbau AG sub-group. The companies within this sub-group work mainly in building construction, project planning and development.

Segment reporting

in EUR thousand	Road construction T-A Group 2006	Road construction T-A Group 2005	Civil engineering PTU Group 2006	Civil engineering PTU Group 2005
Production output (Group)	**817,494.6**	**787,288.2**	**855,280.7**	**880,925.8**
Segmental revenue	**870,943.6**	**830,893.4**	**922,709.4**	**852,418.4**
Cost of materials	–571,798.1	–517,989.1	–587,569.5	–540,784.5
Personnel costs	–222,107.0	–224,328.3	–204,452.0	–196,511.8
Depreciation	–11,669.1	–16,584.7	–23,792.2	–23,659.7
Other operating expenses	–43,621.3	–46,745.8	–89,257.7	–77,038.7
EBIT (Segmental result before interest and taxes)	**21,748.1**	**25,245.5**	**17,638.0**	**14,423.7**
Result from associated companies	5,227.4	2,568.5	2,310.4	784.6
Income from other financial assets and current financial assets				
Financial expenditure				
EBT (result before taxes on earnings)				
Taxes on income				
Surplus for the year				
of which proportion due to minority shareholders of subsidiaries				
Proportion due to shareholders of parent company				
Segment assets as of 31.12.	**575,939.1**	**513,994.9**	**1,341,140.8**	**1,291,477.7**
Segment liabilities as of 31.12.	**397,762.7**	**345,595.7**	**1,049,297.8**	**999,455.8**
Investments in tangible assets	**15,104.8**	**18,881.6**	**46,703.1**	**17,504.3**
Employees as of 31.12.	**4,793**	**4,812**	**3,988**	**3,562**

The following secondary segmental information relates to geographic business areas in which the Group is active.

Production output according to customers' registered offices.

in EUR thousand	2006	2005
Domestic	1,632,438.3	1,553,424.6
Czech Republic	189,314.1	165,111.4
Poland	164,991.2	103,195.6
Germany	135,359.2	151,537.9
Hungary	94,240.4	172,133.2
Switzerland	40,042.5	42,243.7
Croatia	31,075.2	27,514.6
Bosnia-Herzegovina	4,142.5	25,490.3
Abroad – other locations	31,119.6	17,312.3
Abroad	690,284.7	704,539.0
Total	**2,322,723.0**	**2,257,963.6**

Group assets are mainly held in Austria.

Building construction PPH Group		Total for segments		Reconciliation		Group	
2006	2005	2006	2005	2006	2005	2006	2005
649,947.7	589,749.6	2,322,723.0	2,257,963.6	–	–	2,322,723.0	2,257,963.6
544,013.1	568,586.6	2,337,666.1	2,251,898.4	–365,475.7	–341,117.0	1,972,190.4	1,910,781.4
–420,520.1	–434,119.1	–1,579,887.7	–1,492,892.7	356,541.6	331,106.6	–1,223,346.1	–1,161,786.1
–89,175.7	–91,478.2	–515,734.7	–512,318.3	–	–	–515,734.7	–512,318.3
–4,684.8	–5,828.3	–40,146.1	–46,072.7	–3,349.8	–1,727.2	–43,495.9	–47,799.9
–22,690.7	–27,542.4	–155,569.7	–151,326.9	13,614.8	11,758.7	–141,954.9	–139,568.2
6,941.8	9,618.6	46,327.9	49,287.8	1,330.9	21.1	47,658.8	49,308.9
8,758.2	4,982.2	16,296.0	8,335.3	–	–	16,296.0	8,335.3
						11,107.2	13,679.5
						–39,739.5	–38,889.1
						35,322.5	32,434.6
						–2,703.7	–460.3
						32,618.8	31,974.3
						–6,254.7	–6,807.2
						26,364.1	25,167.1
725,284.2	664,430.5	2,642,364.1	2,469,903.1	–1,020,376.2	–942,283.0	1,621,987.9	1,527,620.1
660,990.6	609,042.9	2,108,051.1	1,954,094.4	–765,091.5	–677,489.0	1,342,959.6	1,276,605.4
5,637.9	6,532.8	67,445.8	42,918.7	–	–	67,445.8	42,918.7
1,834	1,867	10,615	10,241	–	–	10,615	10,241

36. NOTES ON THE CASH FLOW STATEMENT

The cash flow statement is broken down into separate cash flows from operating, investing and financing activities, in which the cash flow from operating activities is derived according to the indirect method. The financial fund comprises exclusively cash on hand/at bank and corresponds to the value shown in the balance sheet for liquid funds.

Interest received and dividends received are recorded in the cash flow from operating activities, as is interest paid. In contrast to this, dividends paid are shown under the cash flow from financing activities.

37. NOTES ON THE FINANCIAL INSTRUMENTS

Aims and methods of risk management in relation to financial risks

The management of risk in the financial sphere, in particular the liquidity risk and the interest rate and currency risks, is regulated consistently by group guidelines. An internal control system reflecting the requirements has been implemented in order to monitor and control existing risks in money market and foreign exchange transactions.

The original financial assets comprise mainly shareholdings in associated companies, loans and other financial assets and trade debtors. The original financial liabilities comprise bonds and other financial liabilities as well as trade creditors. As regards the original financial assets – with the exception of the shareholdings in associated companies and other shareholdings – and liabilities – with the exception of the bond issued in 2005, which has a stock market value of TEUR 96,100.0 compared to a book value of TEUR 100,000.0 – the book values correspond approximately to the attributable fair values.

The PORR Group holds currency futures contracts as derivative financial instruments for the purchase of PLN. As at the balance sheet date the volume was TEUR 9,445.0 for TPLN 36,790.2, and the maturities lay between January and July 2007.

Interest rate risk

Please refer to notes 29 and 30 with regard to the interest rate on the bonds and the other financial liabilities.

The fair values attributable to the fixed interest bonds and the other fixed interest financial liabilities are subject to fluctuations dependent on market interest rate trends. Please refer to the notes under 29 regarding the available stock exchange prices as of 31 December 2006.

A change in market interest rates leads to a change in the interest expense as regards the liabilities subject to variable rates of interest.

Credit risk

The risk in the case of accounts receivable from customers may be classified as low because of the broad dispersion and continual checks for creditworthiness.

The risk of default in the case of other original financial instruments stated on the assets side of the balance sheet is also regarded as low because all contracting parties are financial institutions and other debtors with prime credit standing. The book value of the financial assets represents the maximum risk of default. Where risks of default are recognised in relation to financial assets, account is taken of these risks by performing value adjustments. There are no occurrences of concentration of risk arising from significant outstanding amounts from individual debtors.

Currency risk

Loan finance and investment are mainly denominated in euros within the PORR Group. The currency risk to the PORR Group is only of minor significance.

38. AVERAGE NUMBER OF EMPLOYEES

	2006	2005
Salaried		
Domestic	2,489	2,396
Abroad	1,099	998
Industrial employees		
Domestic	5,865	5,639
Abroad	1,162	1,208
Total employees	**10,615**	**10,241**

39. BUSINESS CONNECTIONS TO RELATED COMPANIES AND PERSONS

Transactions between Group companies included in the consolidated accounts were eliminated on consolidation and are not examined any further. Transactions between Group companies and their associated companies are disclosed in the following analysis.

	Sale of goods and services		Purchase of goods and services		Receivables		Liabilities	
in EUR thousand	2006	2005	2006	2005	2006	2005	2006	2005
Associated Companies	10,196.1	14,984.0	30,094.5	28,347.9	24,124.9	25,117.2	4,924.0	4,472.5

Supplies to or from related companies or persons

The volume of transactions during the fiscal year between, on the one hand, Group companies included in the consolidated accounts and, on the other hand, these related companies and persons and the receivables or payables outstanding at the fiscal year end arising from these transactions are of minor significance.

B&C and its sole proprietor B&C Privatstiftung and the companies within the Ortner Group are deemed to be related persons and companies as defined in IAS 24, as they hold significant shares in PORR AG.

Outstanding accounts receivable are not secured and are settled in cash. No guarantees were given nor were any enforced. No value adjustments were made in respect of amounts owed by related companies or persons, nor were any bad debt losses booked during the year under review.

Of amounts receivable from non-consolidated subsidiaries, TEUR 35,851.7 (previous year: TEUR 28,159.2) relate to financing receivables.

40. EXECUTIVE BODIES OF THE COMPANY

Members of the Executive Board:

Chief Executive Officer Dipl.-Ing. Horst Pöchhacker, Vienna, Chairman
Deputy Chief Executive Officer Ing. Wolfgang Hesoun, Brunn/Gebirge, Deputy Chairman
Director Komm.-Rat Helmut Mayer, Vienna
Director Dr. Peter Weber, Deutsch-Wagram

Members of the Supervisory Board:

President Dipl.-Ing. Klaus Ortner, Vienna, Chairman

Director Karl Schmutzer, Winzendorf, Deputy Chairman
Dr. Georg Riedl, Vienna, Deputy Chairman
Günther W. Havranek, Perchtoldsdorf
Executive Director Mag. Dr. Martin Krajcsir, Vienna
Director Dr. Walter Lederer, Vienna
Dr. Heinz Mückstein, Bad Vöslau
Komm.-Rat Karl Samstag, Mödling

Members delegated by works council:

Peter Grandits, Stinatz
Walter Huber, Wiesen
Johann Karner, Mönchhof
Walter Jenny, Vienna

The table below shows the emoluments of the managers in key positions, i.e. the members of the Executive Board and of the Supervisory Board of Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft, broken down according to payment categories:

in EUR thousand	2006	2005
Emoluments of the Executive Board		
Short-term benefits due	2,074.6	1,679.0
Emoluments due after completion of the management contract	95.9	93.5
Other long-term benefits due	27.5	–24.2
Total	**2,198.0**	**1,748.3**
Emoluments of the Supervisory Board		
Short-term benefits due	140.8	122.8

Vienna, 13 April 2007

The Executive Board

Dipl.-Ing. Horst Pöchhacker (*)　　Ing. Wolfgang Hesoun (*)

Komm.-Rat Helmut Mayer (*)　　Dr. Peter Weber (*)

(*) manu propria

Statement by the Executive Board

As far as we are aware, the annual financial statements and consolidated accounts for 2006, which have been prepared in accordance with the relevant accounting standards, impart a true representation of the financial position and performance of Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft and of the entirety of the companies included in the consolidation.

The management report represents the business trends, the business result and the position regarding the entirety of the companies included in the consolidation in such a way that it provides a true representation of the financial position and performance, as well as describing the main risks and uncertainties to which they are exposed.

Chief Executive Officer
Dipl.-Ing. Horst Pöchhacker (*)
Chairman of the Executive Board

Deputy Chief Executive Officer
Ing. Wolfgang Hesoun (*)
Deputy Chairman of the Executive Board

Komm.-Rat Helmut Mayer (*)
Member of the Executive Board

Dr. Peter Weber (*)
Member of the Executive Board

(*) manu propria

Shareholdings

Company	Country Code	Holding of PORR AG	Holding of PORR Group	Type of Consol-idation	Currency	Nominal capital
AFFILIATED COMPANIES						
Affiliated companies limited by shares						
"DIKE" Liegenschaftsverwertung Gesellschaft m.b.H.	AUT	0.00%	100.00%	F	EUR	36,336.42
"EAVG Enzersdorfer Abfallverwertungsgesellschaft m.b.H."	AUT	37.50%	100.00%	N	EUR	–
"HELIOS" Immobilien Verwaltungs- und Verwertungsgesellschaft m.b.H.	AUT	50.00%	100.00%	F	EUR	36,336.42
"PET" Deponieerrichtungs- und Betriebsgesellschaft m.b.H.	AUT	50.00%	76.25%	N	EUR	–
"pulmetall" Bodenmarkierungen Gesellschaft m.b.H.*	AUT	0.00%	52.50%	F	EUR	36,336.42
"Zentrum am Stadtpark" Errichtungs- und Betriebs-Aktiengesellschaft	AUT	66.67%	66.67%	F	EUR	87,207.40
AGes-Bau Asphalt-Ges.m.b.H.*	AUT	0.00%	52.50%	F	EUR	36,336.42
Allgemeine Straßenbau GmbH*	AUT	0.00%	52.50%	F	EUR	3,633,641.71
Alois Felser Gesellschaft m.b.H.*	AUT	0.00%	52.50%	F	EUR	36,400.00
ASCHAUER Zimmerei GmbH*	AUT	0.00%	52.55%	F	EUR	75,000.00
ASDAG Baugesellschaft m.b.H.*	AUT	0.00%	52.50%	F	EUR	726,728.34
Asphalt-Unternehmung Carl Günther Gesellschaft m.b.H.*	AUT	0.00%	52.50%	F	EUR	218,018.50
Asphaltunternehmung Dipl.Ing. O. Smereker & Co. Gesellschaft m.b.H.*	AUT	0.00%	52.50%	F	EUR	36,336.42
Asphaltunternehmung Raimund Guckler Bauunternehmung Gesellschaft m.b.H.*	AUT	0.00%	52.50%	F	EUR	36,400.00
ASW-Asphalt- und Schotterwerk Neustift GmbH	AUT	0.00%	100.00%	N	EUR	–
Bahnhofcenter Entwicklungs-, Errichtungs- und Betriebs GmbH*	AUT	0.00%	100.00%	N	EUR	–
Baugesellschaft m.b.H. Erhard Mörtl*	AUT	0.00%	52.50%	F	EUR	50,870.98
Baumgasse 131 Bauträger- und Verwertungsgesellschaft m.b.H.	AUT	0.00%	100.00%	N	EUR	–
Bitu - Bau Gesellschaft m.b.H.*	AUT	0.00%	52.50%	F	EUR	36,336.42
Bosch Baugesellschaft m.b.H.*	AUT	0.00%	52.50%	F	EUR	51,000.00
BZW Liegenschaftsverwaltungs GmbH	AUT	0.00%	52.50%	N	EUR	–
Carnuntum Bauvorbereitung Gesellschaft m.b.H.	AUT	100.00%	100.00%	N	EUR	–
Edos Beteiligungsverwaltungs GmbH	AUT	0.00%	100.00%	F	EUR	35,000.00
Eisenschutzgesellschaft m.b.H.*	AUT	0.00%	52.50%	F	EUR	43,603.70
Ekona Beteiligungsverwaltungs GmbH	AUT	100.00%	100.00%	N	EUR	–
Emiko Beteiligungsverwaltungs GmbH	AUT	0.00%	100.00%	N	EUR	–
Enola Beteiligungsverwaltungs GmbH	AUT	0.00%	100.00%	N	EUR	–
Esikas Beteiligungsverwaltungs GmbH	AUT	100.00%	100.00%	N	EUR	–
Euphalt-Handelsgesellschaft m.b.H.*	AUT	0.00%	52.50%	F	EUR	36,336.42
Franz Greiner Gesellschaft m.b.H.*	AUT	0.00%	52.50%	F	EUR	36,336.42
Gebor Beteiligungsverwaltungs GmbH	AUT	0.00%	100.00%	N	EUR	–
Gepal Beteiligungsverwaltungs GmbH	AUT	0.00%	100.00%	N	EUR	–
Gerhard Wagner Bodenmarkierungsgesellschaft m.b.H.*	AUT	0.00%	52.50%	F	EUR	37,000.00
Gesellschaft für Bauwesen GmbH*	AUT	0.00%	52.50%	F	EUR	36,336.42
Gesellschaft zur Schaffung von Wohnungseigentum Gesellschaft m.b.H.*	AUT	99.00%	100.00%	F	EUR	290,691.34
Gevas Beteiligungsverwaltungs GmbH	AUT	0.00%	100.00%	F	EUR	35,000.00
Gilamo Beteiligungsverwaltungs GmbH	AUT	0.00%	100.00%	N	EUR	–
Giral Beteiligungsverwaltungs GmbH	AUT	0.00%	100.00%	N	EUR	–
Gismana Beteiligungsverwaltungs GmbH	AUT	0.00%	100.00%	N	EUR	–
Golera Beteiligungsverwaltungs GmbH	AUT	0.00%	100.00%	F	EUR	35,000.00
Gostena Beteiligungsverwaltungs GmbH	AUT	0.00%	100.00%	N	EUR	–
Grazer Transportbeton Gesellschaft m.b.H.	AUT	0.00%	100.00%	F	EUR	37,000.00
GREENPOWER Anlagenerrichtungs- und Betriebs-GmbH	AUT	0.00%	94.00%	N	EUR	–
GREENPOWER Projektentwicklungs-GmbH	AUT	0.00%	94.00%	N	EUR	–
Guspal Beteiligungsverwaltungs GmbH	AUT	0.00%	100.00%	N	EUR	–
Hans Böchheimer Hoch- und Tiefbau Gesellschaft m.b.H.*	AUT	0.00%	52.50%	F	EUR	363,364.17
hospitals Projektentwicklungsges.m.b.H.	AUT	0.00%	55.00%	N	EUR	–
IAT GmbH*	AUT	0.00%	52.50%	F	EUR	290,691.34

Company	Country Code	Holding of PORR AG	Holding of PORR Group	Type of Consol-idation	Currency	Nominal capital
IBC Business Center Entwicklungs- und Errichtungs-GmbH	AUT	75.00%	100.00%	F	EUR	364,000.00
Ing. Otto Richter & Co Straßenmarkierungen GmbH*	AUT	0.00%	52.50%	F	EUR	37,000.00
Ing. RADL-BAU GmbH*	AUT	0.00%	100.00%	F	EUR	40,000.00
Jandl Baugesellschaft m.b.H.*	AUT	0.00%	100.00%	F	EUR	36,336.42
Joiser Hoch- und Tiefbau GmbH	AUT	100.00%	100.00%	F	EUR	36,336.42
Juvavum Liegenschaftsverwertung GmbH	AUT	0.00%	100.00%	N	EUR	–
Kraft & Wärme Rohr- und Anlagentechnik GmbH*	AUT	0.00%	52.50%	F	EUR	40,000.00
Kratochwill Schotter & Beton GmbH*	AUT	0.00%	99.99%	F	EUR	1,199,101.76
KSD Kommunale Sicherheitsdienste GmbH	AUT	0.00%	66.66%	N	EUR	–
LD Recycling GmbH*	AUT	0.00%	100.00%	F	EUR	875,000.00
Mobile Parking GmbH*	AUT	0.00%	100.00%	N	EUR	–
m-parking Errichtungs-, Betriebs- und Service GmbH*	AUT	0.00%	100.00%	N	EUR	–
O.M. Meissl & Co. Bau GmbH	AUT	0.00%	100.00%	F	EUR	85,000.00
Panitzky Gesellschaft m.b.H.*	AUT	0.00%	52.50%	F	EUR	36,336.42
Pfeiffer & Schmidt Baugesellschaft m.b.H.*	AUT	0.00%	52.55%	F	EUR	75,000.00
Porr (Bulgarien) Holding GmbH	AUT	0.00%	51.00%	N	EUR	–
Porr alpha Baugesellschaft mbH*	AUT	0.00%	100.00%	F	EUR	35,000.00
Porr Beteiligungsverwaltungs GmbH*	AUT	100.00%	100.00%	F	EUR	35,000.00
Porr Financial Services GmbH*	AUT	0.00%	100.00%	F	EUR	500,000.00
Porr GmbH	AUT	0.00%	100.00%	F	EUR	2,500,000.00
Porr Infrastruktur GmbH*	AUT	0.00%	100.00%	F	EUR	218,018.50
Porr International GmbH*	AUT	100.00%	100.00%	F	EUR	3,997,005.88
Porr Projekt und Hochbau Aktiengesellschaft*	AUT	100.00%	100.00%	F	EUR	11,000,000.00
Porr Solutions Immobilien- und Infrastrukturprojekte GmbH	AUT	52.00%	100.00%	F	EUR	535,000.00
Porr Technics & Services GmbH	AUT	0.00%	100.00%	N	EUR	–
Porr Technobau und Umwelt Aktiengesellschaft*	AUT	100.00%	100.00%	F	EUR	11,500,000.00
Porr Tunnelbau GmbH*	AUT	0.00%	100.00%	F	EUR	1,200,000.00
Porr Umwelttechnik GmbH*	AUT	0.00%	100.00%	F	EUR	1,000,000.00
PR - Rohrleitungs- und Anlagenbau Gesellschaft m.b.H.*	AUT	0.00%	100.00%	F	EUR	218,018.50
PRONAT Liegenschaftsgesellschaft mbH	AUT	0.00%	68.77%	N	EUR	–
PRONAT Steinbruch Preg GmbH	AUT	0.00%	68.77%	F	EUR	370,631.45
Rizzi Plaza Errichtungs- und Verwertungs GmbH	AUT	0.00%	100.00%	N	EUR	–
Sabelo Beteiligungsverwaltungs GmbH	AUT	100.00%	100.00%	N	EUR	–
Sakela Beteiligungsverwaltungs GmbH	AUT	0.00%	100.00%	N	EUR	–
Schatzl & Jungmayr Garten- und Landschaftsbau GmbH*	AUT	0.00%	52.50%	F	EUR	35,000.00
Schotter- und Betonwerk Karl Schwarzl Betriebsgesellschaft m.b.H.*	AUT	100.00%	100.00%	F	EUR	3,633,641.71
Schotterwerk GRADENBERG Gesellschaft m.b.H.*	AUT	0.00%	100.00%	F	EUR	36,336.42
Sekis Beteiligungsverwaltungs GmbH	AUT	0.00%	100.00%	N	EUR	–
Senuin Beteiligungsverwaltungs GmbH	AUT	0.00%	100.00%	N	EUR	–
SFZ Freizeitbetriebs-GmbH	AUT	0.00%	100.00%	N	EUR	–
SFZ Immobilien GmbH	AUT	0.00%	100.00%	N	EUR	–
Sofex Beteiligungsverwaltungs GmbH	AUT	0.00%	60.00%	N	EUR	–
Somax Beteiligungsverwaltungs GmbH	AUT	0.00%	100.00%	N	EUR	–
Soreg Beteiligungsverwaltungs GmbH	AUT	0.00%	60.00%	N	EUR	–
Sovelis Beteiligungsverwaltungs GmbH	AUT	0.00%	100.00%	N	EUR	–
Tancsos und Binder Gesellschaft m.b.H.*	AUT	0.00%	52.50%	F	EUR	37,000.00
Technisches Büro Sepp Stehrer Baustoff-Großhandlung Gesellschaft m.b.H.*	AUT	0.00%	52.50%	F	EUR	72,672.84
TEERAG-ASDAG Aktiengesellschaft	AUT	52.50%	52.50%	F	EUR	12,478,560.00
Unterstützungskasse von Porr-Betrieben Gesellschaft m.b.H.	AUT	97.50%	100.00%	N	EUR	–

Company	Country Code	Holding of PORR AG	Holding of PORR Group	Type of Consol-idation	Currency	Nominal capital
Vorspann-Technik GmbH	AUT	100.00%	100.00%	N	EUR	–
Wibeba Holding GmbH*	AUT	100.00%	100.00%	F	EUR	7,300,000.00
Wiener Betriebs- und Baugesellschaft m.b.H.*	AUT	0.00%	52.50%	F	EUR	35,000.00
WIPEG - Bauträger- und Projektentwicklungsgesellschaft m.b.H.*	AUT	0.00%	100.00%	F	EUR	1,000,000.00
WLB Projekt Laaer Berg Liegenschaftsverwertungs- und Beteiligungs-GmbH	AUT	0.00%	75.00%	F	EUR	36,336.42
Wohlfahrtseinrichtung von Porr-Betrieben Gesellschaft m.b.H.	AUT	75.00%	100.00%	N	EUR	–
Wohnpark Laaer Berg Verwertungs- und Beteiligungs-GmbH	AUT	75.00%	75.00%	F	EUR	218,018.50
"PORR Infra Bulgaria" EOOD	BGR	0.00%	100.00%	N	BGN	–
PORR Bulgaria OOD	BGR	0.00%	100.00%	N	BGN	–
PORR d.o.o. Sarajevo Privredúo drustvo za gradenje i usluge	BIH	0.00%	100.00%	N	BAM	–
Porr visokogradnja i niskogradnja d.o.o. Banjaluka	BIH	0.00%	100.00%	N	BAM	–
Gunimperm-Bauveg SA	CHE	0.00%	52.50%	F	CHF	150,000.00
PORR Financial Services AG	CHE	100.00%	100.00%	F	CHF	7,800,000.00
PORR SUISSE AG	CHE	0.00%	100.00%	F	CHF	3,000,000.00
PORR SUISSE S.A. Romandie en liquidation	CHE	0.00%	100.00%	F	CHF	250,000.00
BAUVEG, hydroizolacní systémy, s.r.o.	CZE	0.00%	52.50%	N	CZK	–
NORTHEAST TRADING AND DEVELOPMENT, s.r.o.	CZE	100.00%	100.00%	N	CZK	–
OBALOVNA PRÍBRAM, s.r.o.	CZE	0.00%	39.38%	F	CZK	100,000.00
Porr (Česko) a.s.	CZE	0.00%	100.00%	F	CZK	30,000,000.00
Prazské silnicní a vodohospodárské stavby, a.s.	CZE	0.00%	52.50%	F	CZK	430,000,000.00
Betzold Rohrbau Verwaltungs-GmbH	DEU	0.00%	100.00%	N	EUR	–
City Tower Vienna Grundstücksentwicklungs- und Beteiligungs-GmbH	DEU	0.00%	100.00%	N	EUR	–
Emil Mayr Hoch- und Tiefbau GmbH	DEU	0.00%	93.94%	F	EUR	250,000.00
FAB Beteiligungsgesellschaft mbH	DEU	0.00%	100.00%	N	EUR	–
GeMoBau Gesellschaft für modernes Bauen mbH	DEU	0.00%	100.00%	N	EUR	–
Mast Bau GmbH	DEU	0.00%	93.94%	F	EUR	537,000.00
Mast Bau GmbH	DEU	0.00%	93.94%	F	EUR	1,022,550.00
Mast Bau GmbH in Liqu.	DEU	0.00%	93.94%	F	EUR	357,904.32
Porr Deutschland GmbH	DEU	0.00%	93.94%	F	EUR	20,249,700.00
Porr Hochbau GmbH	DEU	0.00%	100.00%	F	EUR	204,516.75
Porr International GmbH	DEU	0.00%	100.00%	F	EUR	1,022,583.76
Porr Solutions Immobilien- und Infrastrukturprojekte GmbH	DEU	0.00%	100.00%	F	EUR	25,564.59
Porr Technobau und Umwelt GmbH	DEU	0.00%	100.00%	F	EUR	525,000.00
PORR Vermögensverwaltung MURNAU GmbH	DEU	0.00%	93.94%	N	EUR	–
Projektierungsteam München GmbH	DEU	0.00%	100.00%	F	EUR	153,387.56
Radmer Kiesvertrieb Verwaltungs GmbH	DEU	0.00%	93.94%	N	EUR	–
TGB TechnoGrundbau GmbH	DEU	0.00%	93.94%	N	EUR	–
Thorn Abwassertechnik GmbH	DEU	0.00%	100.00%	F	EUR	511,291.88
TRB Tief-, Rohrleitungs- und Brunnenbau Verwaltungs GmbH	DEU	0.00%	70.00%	N	EUR	–
Vorspann-Technik GmbH	DEU	0.00%	100.00%	F	EUR	51,129.19
Werner Winkler GmbH Spezialunternehmen für Abdichtungen im Tiefbau	DEU	0.00%	39.43%	N	EUR	–
IMPERTUNEL, S.L.	ESP	0.00%	47.25%	N	EUR	–
BAUVEG-WINKLER drustvo s ogranicenom odgovornoscu za projektiranje, izgradnju i nadzor	HRV	0.00%	52.50%	N	HRK	–
PORR Hrvatska d.o.o. za graditeljstvo	HRV	0.00%	100.00%	F	HRK	4,000,000.00
Porr Solutions drustvo s ogranicenom odgovornoscu za usluge i graditeljstvo	HRV	0.00%	100.00%	N	HRK	–
SCHWARZL BETON d.o.o. za proizvodnju i trgovinu gradevnim materijalom	HRV	0.00%	100.00%	F	HRK	5,900,000.00
Duna Beton és Kavics Korlátolt Felegösségü Társaság	HUN	0.00%	100.00%	F	HUF	3,000,000.00
Földgép Duna Építö Korlátolt Felegösségü Társaság	HUN	0.00%	100.00%	F	HUF	3,000,000.00
Porr (Budapest) Építési Korlátolt Felelösségü Társaság	HUN	0.00%	100.00%	F	HUF	66,000,000.00

Company	Country Code	Holding of PORR AG	Holding of PORR Group	Type of Consol-idation	Currency	Nominal capital
Porr (Hungária) Magasépítési Kft.	HUN	0.00%	100.00%	F	HUF	100,000,000.00
Teerag-Asdag Épitöipari és Kereskedelmi Korlátolt Feleösségü Társaság	HUN	0.00%	52.50%	F	HUF	3,000,000.00
UAB "Porr"	LTU	0.00%	100.00%	N	LTL	–
"Porr Solutions" Spólka z ograniczona odpowiedzialnoscia	POL	0.00%	100.00%	N	PLN	–
"Stal-Service" Spólka z ograniczona odpowiedzialnoscia	POL	0.00%	80.00%	F	PLN	500,000.00
DSC Spólka z ograniczona odpowiedzialnoscia	POL	0.00%	100.00%	N	PLN	–
Porr (Polska) Spólka Akcyjna	POL	0.00%	100.00%	F	PLN	12,000,000.00
Porr Technobud Polska Sp. z o.o.	POL	0.00%	100.00%	N	PLN	–
TEERAG-ASDAG POLSKA SPÓLKA Z OGRANICZONA ODPOWIEDZIALNOSCIA	POL	0.00%	52.50%	F	PLN	500,000.00
RADMER BAU PORTUGAL - CONSTRUCOES, LDA	PRT	0.00%	93.00%	N	EUR	–
Porr Construct S.R.L.	ROM	0.00%	100.00%	N	RON	–
Porr Solutions S.R.L.	ROM	0.00%	100.00%	N	RON	–
Gradevinsko preduzece Porr d.o.o.	SRB	0.00%	100.00%	N	RSD	–
Porr stambena izgraduja d.o.o.	SRB	0.00%	100.00%	N	RSD	–
Porr Iran Construction Company Ltd.	STL	95.00%	95.00%	N	IRR	–
MPay Slovakia, s.r.o.	SVK	0.00%	51.00%	N	SKK	–
PORR (Slovensko) a.s.	SVK	0.00%	100.00%	F	SKK	15,000,000.00
TEERAG-ASDAG Slovakia s.r.o.	SVK	0.00%	52.50%	N	SKK	–
PORR gradbenistvo, trgovina in druge storitve d.o.o.	SVN	100.00%	100.00%	N	SIT	–
Towaristwo s obmeschenuju widpowidalnictyu "Porr Ukraina"	UKR	0.00%	100.00%	N	UAH	–
"PORR (MONTENEGRO)" ZA IZGRADNJU I TRGOVINU D.O.O.	MNE	0.00%	100.00%	N	EUR	–
Affiliated partnerships						
AG für Bauwesen Nfg. KG	AUT	50.00%	76.25%	F	EUR	7,267.28
Asphaltmischwerk LEOPOLDAU – TEERAG-ASDAG + Mayreder-Bau GmbH & Co. KG	AUT	0.00%	42.00%	F	EUR	70,000.00
ASW-Asphalt- und Schotterwerk Neustift GmbH & Co. KG	AUT	0.00%	100.00%	F	EUR	741,262.92
Emiko Beteiligungsverwaltungs GmbH & Co. KEG	AUT	0.00%	100.00%	N	EUR	–
Esoro Beteiligungsverwaltungs GmbH & Co KEG	AUT	0.00%	100.00%	N	EUR	–
Floridsdorf Am Spitz Wohnungseigentumsgesellschaft m.b.H. & Co. KG.	AUT	0.00%	100.00%	F	EUR	150,719.24
Franz Böck´s Nachf. Ing. Eva & Karl Schindler Gesellschaft m.b.H. &Co.Nfg.KG	AUT	0.00%	52.50%	F	EUR	100,000.00
Gamper Baugesellschaft m.b.H. & Co. KG	AUT	0.00%	52.50%	F	EUR	15,000.00
Gilamo Beteiligungsverwaltungs GmbH & Co. KEG	AUT	0.00%	100.00%	N	EUR	–
Giral Beteiligungsverwaltungs GmbH & Co. KEG	AUT	0.00%	100.00%	N	EUR	–
Glamas Beteiligungsverwaltungs GmbH & Co "Delta" KEG	AUT	0.00%	100.00%	F	EUR	1,000.00
Glamas Beteiligungsverwaltungs GmbH & Co "Epsilon" KEG	AUT	0.00%	100.00%	N	EUR	–
Glamas Beteiligungsverwaltungs GmbH & Co "Gamma" KEG	AUT	0.00%	100.00%	F	EUR	1,000.00
Hotelbetrieb SFZ Immobilien GmbH & Co KG	AUT	0.00%	100.00%	N	EUR	–
Porr Technics & Services GmbH & Co KG	AUT	0.00%	100.00%	F	EUR	436,037.01
Projekt Ost - IBC Business Center Entwicklungs- und Errichtungs-GmbH & Co KG	AUT	75.00%	100.00%	F	EUR	290,691.34
Projekt West - IBC Business Center Entwicklungs- und Errichtungs-GmbH & Co KG	AUT	75.00%	100.00%	F	EUR	290,691.34
Rizzi Plaza Errichtungs- und Verwertungs GmbH & Co KEG	AUT	0.00%	100.00%	N	EUR	–
SFZ Freizeitbetriebs-GmbH & Co KG	AUT	0.00%	100.00%	F	EUR	100,000.00
SFZ Immobilien GmbH & Co KG	AUT	0.00%	100.00%	F	EUR	363,364.17
Vorspann-Technik GmbH & Co.KG	AUT	100.00%	100.00%	F	EUR	1,417,120.27
Wibeba Hochbau GmbH & Co. Nfg. KG	AUT	100.00%	100.00%	F	EUR	35.000.00
Wohnpark Laaer Berg Verwertungs- und Beteiligungs-GmbH & Co. Bauplatz 3 "türkis" Projekt-OEG	AUT	0.00%	75.00%	F	EUR	1,162.76
Wohnpark Laaer Berg Verwertungs- und Beteiligungs-GmbH & Co. Bauplatz 4 "blau" Projekt-OEG	AUT	0.00%	75.00%	N	EUR	–

Company	Country Code	Holding of PORR AG	Holding of PORR Group	Type of Consol-idation	Currency	Nominal capital
Wohnpark Laaer Berg Verwertungs- und Beteiligungs-GmbH & Co. Bauplatz 5 "rosa" Projekt-OEG	AUT	0.00%	75.00%	F	EUR	1,162.76
Porr Projekt v.o.s.	CZE	0.00%	55.00%	N	CZK	–
Betzold Rohrbau GmbH & Co. KG	DEU	0.00%	100.00%	F	EUR	3,374,526.41
Forum am Bahnhof Quickborn GmbH & Co. KG	DEU	0.00%	100.00%	F	EUR	100,000.00
PORR MURNAU GmbH & Co. KG	DEU	0.00%	93.94%	N	EUR	–
Radmer Kiesvertriebs GmbH & Co. KG	DEU	0.00%	93.94%	F	EUR	1,907,118.72
Radmer Kiesvertriebs GmbH & Co. KG	DEU	0.00%	93.94%	F	EUR	3,655,736.95
TRB Tief-, Rohrleitungs- und Brunnenbau GmbH & Co. KG	DEU	0.00%	70.00%	F	EUR	255,645.94
ASSOCIATED COMPANIES						
Associated companies limited by shares						
"Internationale Projektfinanz" Warenverkehrs- & Creditvermittlungs-Aktiengesellschaft	AUT	40.00%	40.00%	E	EUR	726,728.34
ABW Abbruch, Boden- und Wasserreinigungs-Gesellschaft m.b.H.	AUT	0.00%	36.22%	E	EUR	218,018.50
Altlastensanierung und Abraumdeponie Langes Feld Gesellschaft m.b.H.	AUT	0.00%	41.50%	E	EUR	363,364.17
BIOVERSAL Trade und Technologies GmbH in Liqu.	AUT	0.00%	26.25%	E	EUR	36,336.42
FMA Gebäudemanagement GmbH	AUT	0.00%	50.00%	E	EUR	36,336.42
Impulszentrum Telekom Betriebs GmbH	AUT	0.00%	49.00%	E	EUR	727,000.00
Lavanttaler Asphaltliefergesellschaft m.b.H.	AUT	0.00%	25.20%	E	EUR	36,336.42
LTE Logistik- und Transport-GmbH	AUT	0.00%	50.00%	E	EUR	300,000.00
Ropa Liegenschaftsverwertung Gesellschaft m.b.H.	AUT	50.00%	50.00%	E	EUR	36,336.42
Salzburger Reststoffverwertung GmbH	AUT	0.00%	50.00%	E	EUR	100,000.00
SOWI - Investor - Bauträger GmbH	AUT	33.33%	33.33%	E	EUR	36,336.42
Stöckl Schotter- und Splitterzeugung GmbH	AUT	0.00%	21.00%	E	EUR	36,336.42
TAL Betonchemie Handel GmbH	AUT	0.00%	26.25%	E	EUR	145,345.67
Tauernkies GmbH	AUT	0.00%	26.25%	E	EUR	35,000.00
UBM Realitätenentwicklung Aktiengesellschaft	AUT	41.27%	41.27%	E	EUR	5,450,462.56
W 3 Errichtungs- und Betriebs-Aktiengesellschaft	AUT	53.33%	53.33%	E	EUR	74,126.29
Porr & Swietelsky stavebni, v. o. s.	CZE	0.00%	50.00%	E	CZK	200,000.00
Spolecne obalovny, s.r.o.	CZE	0.00%	26.25%	E	CZK	5,000,000.00
M 6 Duna Autópálya Koncessziós Részvénytársaság	HUN	0.00%	40.00%	E	HUF	741,500,000.00
"Modzelewski & Rodek" Spólka z ograniczona odpowiedzialnoscia	POL	0.00%	50.00%	E	PLN	510,000.00
Associated Partnerships						
ASF Frästechnik GmbH & Co KG	AUT	0.00%	26.25%	E	EUR	72,674.00
Asphaltmischwerk Betriebsgesellschaft m.b.H. & Co KG	AUT	0.00%	21.00%	E	EUR	726,728.34
Asphaltmischwerk Greinsfurth GmbH & Co	AUT	0.00%	26.25%	E	EUR	600,000.00
Asphaltmischwerk Weißbach GmbH & Co. Nfg.KG	AUT	0.00%	23.63%	E	EUR	72,672.83
ASTRA - BAU Gesellschaft m.b.H. Nfg. OHG	AUT	0.00%	26.25%	E	EUR	1,451,570.76
Lieferasphalt Gesellschaft m.b.H. & Co, Viecht	AUT	0.00%	17.59%	E	EUR	29,069.13
Lieferasphalt Gesellschaft m.b.H. & Co. OHG	AUT	0.00%	21.00%	E	EUR	36,336.42
Lieferasphalt Gesellschaft m.b.H. & Co. OHG.	AUT	0.00%	26.25%	E	EUR	14,243.88
LISAG Linzer Splitt- und Asphaltwerk GmbH. & Co KG	AUT	0.00%	26.25%	E	EUR	861,900.00
MSO Mischanlagen Süd-Ost Betriebsgesellschaft m.b.H. & Co.KG.	AUT	0.00%	24.85%	E	EUR	87,207.40
MSO Mischanlagen Süd-Ost Betriebsgesellschaft m.b.H. und Co KG	AUT	0.00%	22.05%	E	EUR	3,270,277.54
RBA - Recycling- und Betonanlagen Ges.m.b.H. & Co. Nfg. KG	AUT	24.00%	24.00%	E	EUR	581,382.67
Vereinigte Asphaltmischwerke Gesellschaft m.b.H. & Co KG	AUT	0.00%	26.25%	E	EUR	263,298.00
Neustädter Baustoff - GmbH & Co. KG, Kieswerk Schwaig	DEU	0.00%	46.97%	E	EUR	76,694.96
Radmer Bau Kieswerke GmbH & Co. Sand und Kies KG	DEU	0.00%	46.97%	E	EUR	1,022,599.45

Company	Country Code	Holding of PORR AG	Holding of PORR Group	Type of Consolidation	Currency	Nominal capital
OTHER COMPANIES						
Other companies limited by shares						
"Athos" Bauplanungs- und Errichtungsgesellschaft m.b.H.	AUT	10.00%	10.00%	N	EUR	–
"hospitals" Projektentwicklungsges.m.b.H.	AUT	0.00%	43.56%	N	EUR	–
"Turm und Riegel" Gebäude Projektentwicklungs und -verwertungsgesellschaft m.b.H.	AUT	0.00%	50.00%	N	EUR	–
ABO Asphalt-Bau Oeynhausen GmbH.	AUT	0.00%	15.75%	N	EUR	–
ALU-SOMMER GmbH	AUT	24.50%	24.84%	N	EUR	–
AMB Asphalt-Mischanlagen Betriebsgesellschaft m.b.H.	AUT	0.00%	10.50%	N	EUR	–
AMG - Asphaltmischwerk Gunskirchen Gesellschaft m.b.H.	AUT	0.00%	17.50%	N	EUR	–
AMW Asphalt-Mischwerk GmbH	AUT	0.00%	17.50%	N	EUR	–
aqua plus Wasserversorgungs- und Abwasserentsorgungs-GmbH	AUT	0.00%	33.33%	N	EUR	–
ARIWA Abwasserreinigung im Waldviertel GmbH	AUT	0.00%	16.67%	N	EUR	–
ASF Frästechnik GmbH	AUT	0.00%	26.25%	N	EUR	–
Asphaltlieferwerk Leibnitz Baugesellschaft m.b.H.	AUT	0.00%	15.75%	N	EUR	–
Asphaltmischwerk Betriebsgesellschaft m.b.H.	AUT	0.00%	21.00%	N	EUR	–
Asphaltmischwerk Greinsfurth GmbH	AUT	0.00%	26.25%	N	EUR	–
Asphaltmischwerk LEOPOLDAU – TEERAG-ASDAG + Mayreder-Bau GmbH	AUT	0.00%	26.25%	N	EUR	–
Asphaltmischwerk Steyregg GmbH	AUT	0.00%	10.50%	N	EUR	–
A-WAY Toll Systems GmbH	AUT	0.00%	20.00%	N	EUR	–
AWB Asphaltmischwerk Weißbach Betriebs-GmbH	AUT	0.00%	23.63%	N	EUR	–
b+ Bauträger GmbH	AUT	0.00%	11.11%	N	EUR	–
Betonexpress FH Vertriebs-GMBH	AUT	0.00%	10.50%	N	EUR	–
BMU Beta Liegenschaftsverwertung GmbH	AUT	0.00%	50.00%	N	EUR	–
BRG Baustoffrecycling GmbH	AUT	0.00%	10.50%	N	EUR	–
CCG Immobilien GmbH	AUT	0.00%	42.83%	N	EUR	–
ECRA Emission Certificate Registry Austria GmbH	AUT	0.00%	5.00%	N	EUR	–
EDO Entsorgungsdienst Ost GmbH	AUT	0.00%	17.50%	N	EUR	–
Esoro Beteiligungsverwaltungs GmbH	AUT	0.00%	50.00%	N	EUR	–
European Trans Energy Beteiligungs GmbH	AUT	0.00%	49.00%	N	EUR	–
European Trans Energy GmbH	AUT	0.00%	49.00%	N	EUR	–
FBG Fertigbetonwerk Großpetersorf Ges.m.b.H.	AUT	0.00%	17.50%	N	EUR	–
FMA alpha Gebäudemanagement & -services GmbH	AUT	0.00%	50.00%	N	EUR	–
FMA Asphaltwerk GmbH	AUT	0.00%	15.75%	N	EUR	–
Gaspix Beteiligungsverwaltungs GmbH	AUT	24.00%	24.00%	N	EUR	–
Glamas Beteiligungsverwaltungs GmbH	AUT	0.00%	26.67%	N	EUR	–
Grimming Therme GmbH	AUT	0.00%	17.00%	N	EUR	–
Handwerkerzentrum Hitzendorf GmbH	AUT	0.00%	12.86%	N	EUR	–
ILC-Beteiligungsgesellschaft m.b.H.	AUT	33.34%	33.34%	N	EUR	–
Immobilien AS GmbH	AUT	0.00%	24.84%	N	EUR	–
Infrastruktur Planungs- und Entwicklungs GmbH	AUT	0.00%	45.00%	N	EUR	–
JAM Asphalt GesmbH	AUT	0.00%	25.20%	N	EUR	–
Johann Koller Deponiebetriebsges.m.b.H.	AUT	0.00%	36.22%	N	EUR	–
Johann Koller Gesellschaft m.b.H.	AUT	0.00%	36.22%	N	EUR	–
KAB Straßensanierung GmbH	AUT	0.00%	10.49%	N	EUR	–
Kärntner Restmüllverwertungs GmbH	AUT	0.00%	13.55%	N	EUR	–
Kommunale Sicherheits- und Service Mödling GmbH	AUT	0.00%	49.33%	N	EUR	–
Kraftwerk Tegesbach Errichtungs- und Betriebsgesellschaft m.b.H.	AUT	0.00%	50.00%	N	EUR	–
Lavanttaler Bauschutt - Recycling GmbH	AUT	0.00%	11.81%	N	EUR	–
Lieferasphalt Gesellschaft m.b.H.	AUT	0.00%	26.25%	N	EUR	–
Linzer Schlackenaufbereitungs- und vertriebsgesellschaft m.b.H.	AUT	0.00%	17.50%	N	EUR	–

Company	Country Code	Holding of PORR AG	Holding of PORR Group	Type of Consol-idation	Currency	Nominal capital
LISAG Linzer Splitt- und Asphaltwerk GmbH.	AUT	0.00%	26.25%	N	EUR	–
M.E.G. Mikrobiologische Erddekontamination GmbH	AUT	0.00%	50.00%	N	EUR	–
MBU Liegenschaftsverwertung Gesellschaft m.b.H.	AUT	0.00%	10.00%	N	EUR	–
MMU Gleisbaugerätevermietung GmbH	AUT	50.00%	50.00%	N	EUR	–
MSO Mischanlagen Süd-Ost Betriebsgesellschaft m.b.H.	AUT	0.00%	35.00%	N	EUR	–
Murgalerien Errichtungs- und Verwertungs-GmbH	AUT	0.00%	50.00%	N	EUR	–
PKM - Muldenzentrale GmbH	AUT	0.00%	34.93%	N	EUR	–
Plunkergasse Betriebsgesellschaft m.b.H.	AUT	0.00%	1.00%	N	EUR	–
PM2 Bauträger GesmbH	AUT	0.00%	20.00%	N	EUR	–
PWW Holding GmbH	AUT	0.00%	50.00%	N	EUR	–
REHAMED Beteiligungsges.m.b.H.	AUT	0.00%	21.78%	N	EUR	–
REHAMED-Rehabilitationszentrum für Lungen- und Stoffwechselerkrankungen Bad Gleichenberg Gesellschaft m.b.H.	AUT	0.00%	16.12%	N	EUR	–
RFM Asphaltmischwerk GmbH.	AUT	0.00%	17.50%	N	EUR	–
RFPB Kieswerk GmbH	AUT	0.00%	8.75%	N	EUR	–
Rudolf u. Walter Schweder Gesellschaft m.b.H.	AUT	10.00%	10.00%	N	EUR	–
Schotter- und Betonwerk Donnersdorf GmbH	AUT	0.00%	10.50%	N	EUR	–
Soleta Beteiligungsverwaltungs GmbH	AUT	0.00%	26.67%	N	EUR	–
St. Peter-Straße 14-16 Liegenschaftsverwertung Ges.m.b.H.	AUT	0.00%	26.25%	N	EUR	–
TAM Traisental Asphaltmischwerk Ges.m.b.H.	AUT	0.00%	17.50%	N	EUR	–
TBG Miksits GmbH	AUT	0.00%	10.50%	N	EUR	–
TORO Bausanierungs- und HandelsgesmbH	AUT	0.00%	13.11%	N	EUR	–
UWT Umwelttechnik GmbH	AUT	0.00%	7.00%	N	EUR	–
Vereinigte Asphaltmischwerke Gesellschaft m.b.H.	AUT	0.00%	26.25%	N	EUR	–
Wiental-Sammelkanal Gesellschaft m.b.H.	AUT	0.00%	16.67%	N	EUR	–
WIG - Transportbeton Ges.m.b.H.	AUT	0.00%	10.50%	N	EUR	–
WM Hotel Schladming GmbH	AUT	0.00%	45.00%	N	EUR	–
WMW Weinviertler Mischwerk Gesellschaft m.b.H.	AUT	0.00%	8.75%	N	EUR	–
Zenit Bauplanungs- und Errichtungsgesellschaft m.b.H.	AUT	0.00%	50.00%	N	EUR	–
BBR VT International AG	CHE	0.00%	22.50%	N	CHF	–
aqua plus CZ vodohospodárská s.r.o.	CZE	0.00%	33.33%	N	CZK	–
Eko-Sber Brno spol. s.r.o.	CZE	0.00%	20.00%	N	CZK	–
LTE Logisik a Transport Czechia s.r.o.	CZE	0.00%	50.00%	N	CZK	–
TORO sanace staveb s.r.o.	CZE	0.00%	11.80%	N	CZK	–
VaK plus vodohospodárská s.r.o.	CZE	0.00%	13.00%	N	CZK	–
Vystavba hotelu PRAHA - ZVONARKA, spol. s.r.o.	CZE	0.00%	11.11%	N	CZK	–
ASTO Besitz- und Immobilienverwaltungsgesellschaft mbH	DEU	0.00%	50.00%	N	EUR	–
Bayernfonds Immobilienentwicklungsgesellschaft Wohnen plus GmbH	DEU	0.00%	1.81%	N	EUR	–
BFS Florido Tower GmbH	DEU	0.00%	2.79%	N	EUR	–
Bürohaus Leuchtenbergring Verwaltungs GmbH	DEU	0.00%	0.93%	N	EUR	–
City Objekte München GmbH	DEU	0.00%	4.51%	N	EUR	–
ENIGMA Leitungsbau Deutschland GmbH	DEU	0.00%	49.00%	N	EUR	–
Florido Tower Management GmbH	DEU	0.00%	1.40%	N	EUR	–
Frankenstraße 18-20 Verwaltungs GmbH	DEU	0.00%	50.00%	N	EUR	–
Münchner Grund Immobilien Bauträger Aktiengesellschaft	DEU	0.00%	5.64%	N	EUR	–
Münchner Grund Riem GmbH	DEU	0.00%	3.61%	N	EUR	–
Münchner Grund Verwaltungs GmbH	DEU	0.00%	5.64%	N	EUR	–
Neustädter Baustoff - Gesellschaft mit beschränkter Haftung	DEU	0.00%	46.97%	N	EUR	–
Radmer Bau Kieswerke GmbH	DEU	0.00%	46.97%	N	EUR	–

Company	Country Code	Holding of PORR AG	Holding of PORR Group	Type of Consol-idation	Currency	Nominal capital
REAL I.S. Project GmbH	DEU	0.00%	2.79%	N	EUR	–
TMG Tiefbaumaterial GmbH	DEU	0.00%	33.33%	N	EUR	–
ADRIAPLUS zbrinjavanje otpadnih voda i odlaganje otpada, drustvo s ogranicenom odgovornoscu	HRV	0.00%	11.33%	N	HRK	–
Vile Jordanovac drustvo s ogranicenom odgovornoscu za usluge i graditeljstvo	HRV	0.00%	50.00%	N	HRK	–
zagrebtower drustvo s ogranicenom odgovornoscu za usluge i graditeljstovo	HRV	0.00%	49.00%	N	HRK	–
ASDAG Kavicsbánya és Építö Korlátolt Felegösségü Társaság	HUN	0.00%	13.30%	N	HUF	–
ASDEKA Epitöanyagipari Kereskedelmi Kft.	HUN	0.00%	6.65%	N	HUF	–
Mlynska Development Spólka z ograniczona odpowiedzialnoscia	POL	0.00%	40.00%	N	PLN	–
Porr (Malaysia) Sendirian Berhad	STL	50.00%	50.00%	N	MYR	–
LTE Logistik a Transport Slovakia s.r.o.	SVK	0.00%	50.00%	N	SKK	–
AQUASYSTEMS gospodarjenje z vodami d.o.o.	SVN	0.00%	10.00%	N	SIT	–
Elin Transmission Lines Co., Ltd.	THA	0.00%	49.00%	N	THB	–
Elin Transmission Lines Holding Co., Ltd.	THA	0.00%	49.00%	N	THB	–
Tovarystvo z obmezhenoyu vidpovidalnistyu “Porr Intergal-Bud”	UKR	0.00%	50.00%	N	UAH	–
Other partnerships						
AMB Asphalt-Mischanlagen Betriebsgesellschaft m.b.H & Co KG	AUT	0.00%	10.50%	N	EUR	–
AMG - Asphaltmischwerk Gunskirchen Gesellschaft m.b.H. & Co. KG	AUT	0.00%	17.50%	N	EUR	–
Asphaltmischwerk Steyregg GmbH & Co KG	AUT	0.00%	10.50%	N	EUR	–
EDO Entsorgungsdienst Ost GmbH & CO KG	AUT	0.00%	17.50%	N	EUR	–
FMA Asphaltwerk GmbH & Co KG	AUT	0.00%	15.75%	N	EUR	–
Glamas Beteiligungsverwaltungs GmbH & Co “Alpha” KEG	AUT	0.00%	26.67%	N	EUR	–
Glamas Beteiligungsverwaltungs GmbH & Co “Beta” KEG	AUT	0.00%	26.67%	N	EUR	–
KAB Straßensanierung GmbH & Co KG	AUT	0.00%	10.49%	N	EUR	–
RegioZ Regionale Zukunftsmanagement und Projektentwicklung Ausseerland Salzkammergut GmbH & Co KEG	AUT	0.00%	4.27%	N	EUR	–
RFM Asphaltmischwerk GmbH & Co KG	AUT	0.00%	17.50%	N	EUR	–
RFPB Kieswerk GmbH & Co KG	AUT	0.00%	8.75%	N	EUR	–
Salzburger Lieferasphalt OHG	AUT	0.00%	10.50%	N	EUR	–
TAM Traisental Asphaltmischwerk Ges.m.b.H. & Co KG	AUT	0.00%	17.50%	N	EUR	–
WMW Weinviertler Mischwerk Gesellschaft m.b.H. & Co KG	AUT	0.00%	8.75%	N	EUR	–
Bayernfonds Immobiliengesellschaft mbH & Co. Florido Tower KG	DEU	0.00%	1.40%	N	EUR	–
Bürohaus Leuchtenbergring GmbH & Co. Besitz KG	DEU	0.00%	0.93%	N	EUR	–
Bürohaus Leuchtenbergring GmbH & Co. KG	DEU	0.00%	0.86%	N	EUR	–
Frankenstraße 18-20 GmbH & Co. KG	DEU	0.00%	50.00%	N	EUR	–
Immobilien- und Baumanagement Stark GmbH & Co. Stockholmstraße KG	DEU	0.00%	3.61%	N	EUR	–
MG Grundbesitz Objekt Gleisdreieck Pasing GmbH & Co. KG	DEU	0.00%	5.64%	N	EUR	–
TOPOS.Paul-Lincke-Höfe.GmbH & Co. KG	DEU	0.00%	26.00%	N	EUR	–
BPV-Metro 4 Építési Közkereseti Társaság	HUN	33.33%	33.33%	N	HUF	–
BPV-METRO 4 NeKe Építési Közkereseti Társaság	HUN	33.33%	33.33%	N	HUF	–
M6-Autópálya Építési Közkereseti Társaság	HUN	0.00%	33.33%	N	HUF	–
MTC Muanyagrétegezés Közkereseti Társaság	HUN	0.00%	6.55%	N	HUF	–
PORR-HABAU Épitö Közkereseti Társaság	HUN	0.00%	50.00%	N	HUF	–

Key:
F = fully-consolidated company
E = equity consolidated company
N = non-consolidated company
* = profit and loss transfer agreement

Auditors' report

to the Consolidated Accounts dated 31st December 2006 for Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft

We have audited the consolidated accounts prepared by Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft, Vienna, for the fiscal year from 1st January 2006 to 31st December 2006. The legal representatives of the company are responsible for the preparation and content of these consolidated accounts in accordance with the International Financial Reporting Standards (IFRS), as accepted by the EU, and of the group management report drafted in accordance with the Austrian commercial law statutes. Our task is to express an opinion on the consolidated accounts on the basis of our audit and to state whether the group management report is consistent with the consolidated accounts.

Our audit was conducted in accordance with the Austrian commercial law statutes and professional auditing principles generally accepted in Austria. These standards require that we plan and perform our audit in such a way as to provide a reasonable basis for an opinion as to whether the consolidated accounts are free of material errors and whether the group management report is consistent with the consolidated accounts. When determining the auditing procedure, information on the business activities and the economic and legal environment of the group was taken into account along with the likelihood of potential errors. The audit involved a mainly sample-based examination of the supporting documentation for the figures and information in the consolidated accounts; it also included an assessment of the accounting principles applied and the material estimates carried out by the legal representatives, together with an evaluation of the overall presentation of the consolidated accounts. We believe that our audit provides a reasonable basis for our opinion.

Our audit did not give rise to any objections. On the basis of the facts obtained during the course of the audit, the consolidated accounts of Allgemeine Baugesellschaft – A. Porr AG correspond in our opinion to the statutory provisions and reflect as true as possible a representation of the assets and financial position of the group as of 31st December 2006 as well as the earnings situation and cash flows of the group for the fiscal year from 1st January 2006 to 31st December 2006 in accordance with the International Financial Reporting Standards (IFRS) as accepted by the EU. The group management report accords with the consolidated accounts.

Vienna, 13 April 2007

Deloitte Wirtschaftsprüfungs GmbH

MMag. Dr. Leopold Fischl (*) Auditor	ppa. Mag. Marieluise Krimmel (*) Auditor

BDO Auxilia Treuhand GmbH
Auditors and Tax Consultants

Prof. Dr. Karl Bruckner (*) Auditor	Mag. Dr. Johann Seidl (*) Auditor

(*) manu propria

Supervisory Board Report

PORR once again enjoyed a successful year in 2006. Significant acquisition success in almost all the markets being developed by PORR created the largest pool of orders in the history of the Group, whereby it was also possible to ensure basic capacity utilisation in the longer term. In conjunction with this, the reporting year closed with a further rise in output. In June 2006 a quoted corporate bond was once again issued, having a volume of EUR 60 million. It met with a great deal of success. In parallel to this, a bond of CZK 200 million was issued in the Czech Republic. In order that the Group's competence might expand beyond its core business into sectors that are growing, and that the increasing opportunities in the areas of infrastructure and energy might be utilised, the group has, together with certain partners, taken over the pipeline construction activities (catenary and above-ground systems) of the VA TECH T&D group.

The Supervisory Board has actively encouraged and supported this development in keeping with the responsibilities assigned to it. The Supervisory Board has been kept constantly informed of full details of the development of the business and financial position of the group and its shareholdings, of staff and planning matters and of investment and acquisition projects through spoken and written reports from the Executive Board, and the latter has discussed strategy, business development and risk management with the Supervisory Board. In a total of five meetings, the Supervisory Board passed the relevant resolutions that were required. The necessary approval for the transactions for which consent is required under § 95 section 5 of the Stock Corporation Act and/or pursuant to the rules of procedure was obtained for the Executive Board; in urgent cases, written voting was used for authorisation of this nature. The average level of attendance at Supervisory Board meetings on the part of the members that had been elected by the AGM was 92.5 percent. On 8th June 2006 a meeting took place of the financial audit committee, consisting of Supervisory Board members Dipl.-Ing. Klaus Ortner, Director Dipl.-Ing. Karl Schmutzer, Dr. Georg Riedl, Peter Grandits and Walter Huber, in the presence of the auditors, for the purpose of auditing the 2005 financial statements and preparing them for adoption. The personnel committee, consisting of Supervisory Board members Dipl.-Ing. Klaus Ortner, Director Dipl.-Ing. Karl Schmutzer and Dr. Georg Riedl, did not meet due to insufficient subjects to deal with.

The annual financial statements of Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft prepared as of 31st December 2006, including the notes on the accounts and the (Group) management report, and the consolidated accounts that had been prepared as of 31st December 2006 in accordance with the International Financial Reporting Standards (IFRS) and the (Group) management report, were jointly audited by Deloitte Wirtschaftsprüfungs GmbH of Vienna and BDO Auxilia Treuhand GmbH of Vienna. The audit, based on the bookkeeping and documentation of the company as well as the explanations and documentation provided by the Executive Board, revealed that the bookkeeping records and the annual financial statements and consolidated accounts complied with the legal requirements and provided no cause for complaint. The (Group) management report accords with the annual and consolidated financial statements. The aforementioned audit companies have therefore issued an unqualified audit certificate for the annual and consolidated financial statements.

The audit reports prepared by the auditors and the proposal of the Executive Board regarding the appropriation of profit were dealt with in detail with the auditors on 26th April 2007 in the financial audit committee, which consisted of Supervisory Board members Dipl.-Ing. Klaus Ortner, Director Dipl.-Ing. Karl Schmutzer, Günther W. Havranek, Peter Grandits and Walter Huber, and were submitted to the Supervisory Board. The financial audit committee and the Supervisory Board approved the annual financial statements as of 31st December 2006 and the (Group) management report following intensive discussion and auditing. The annual financial statements as of 31st December 2006 have thus been adopted. The financial audit committee and the Supervisory Board also approved the consolidated accounts for 2006 that had been prepared in accordance with the IFRS and the (Group) management report. The Supervisory Board agreed with the proposal of the Executive Board regarding the appropriation of profit.

The Supervisory Board thanked the customers and shareholders for the confidence they had placed in PORR and their commitment to the company, as well as the Executive Board and staff for the dedication they had demonstrated over the past year and the constructive collaboration it had enjoyed with them.

Vienna, April 2007

Dipl.-Ing. Klaus Ortner (*)
Chairman of the Supervisory Board

(*) manu propria

Glossary

THE CONSTRUCTION INDUSTRY

Branch is the business area of a local branch office of a company.

Building construction is the field of construction engineering that is concerned with the planning and building of objects of construction that are located above the earth's surface. However, the buildings thus constructed also include objects of construction that are below ground provided that they are accessible to people or that they are intended to accommodate people, animals or items of property such as, for example, civil defence installations.

Building production (building production value) is the production value of construction sites emanating purely from construction activity (own work, raw materials and third party services chargeable to clients).

Civil engineering is the field of construction engineering that is concerned with the planning and building of objects of construction that are located on or below the earth's surface.

Construction capacity is the sum total of the production factors present within the construction company that are available for the execution of objects of construction. These factors generally consist in the operating resources of staff, machinery, building materials and financial resources.

Equipment management is the department within a company that is responsible in financial terms for the investment, maintenance and repair of the equipment that is in the possession of the company.

Facility management is the sum total of all the services provided with a view to the management of buildings and land on the basis of a unified strategy.

Franchise project is normally an infrastructure project in relation to which a public agency grants permission to a private company, on a statutory basis, to carry out the planning, funding, construction and operation of the project and to the users for a specified period of time, in consideration of a fee.

Life-cycle models are based on the valuation of the life-cycle costs (LCC) and they include the development, acquisition and consequential costs of a project.

Logistics is the integrated planning, organisation, management, completion and monitoring of the whole of the flow of materials and goods as well as the related flows of information.

Multi-utility group is a group of companies that provides a wide range of services.

Operator project see 'franchise project' and Public-Private Partnership (PPP).

Project development is the designing and completion of projects that are normally on a relatively large scale.

Project development company is a company that has been founded specifically for the designing and completion of a building project.

Project unit describes a part (unit) of a construction output in large-scale building projects.

Property developer has a company that acquires land and builds residential and commercial buildings on its own behalf and for its own account with a view to selling them subsequently.

Public-private partnership (PPP) is a collective term for the utilisation of private capital and specialist knowledge for the completion of orders placed by public sector agencies.

Scheduling is the detailed planning and allocation of the operating resources (staff, equipment, building materials and financial resources), depending on the requirements of the (construction) contract.

Sectors are a company's areas of work; construction sectors include bridge construction, tunnel construction, road construction, hydraulic engineering, residential construction, residential housing etc.

Stock maintenance is the regular maintenance and servicing of land, buildings and equipment in order to keep them serviceable.

THE FINANCIAL WORLD

Associated company is a company that is not majority-owned but over which significant but not controlling influence is exerted.

ATX (Austrian Traded Index) is the key index of the Vienna Stock Exchange.

Basel-II Agreement is all the equity regulations that were drafted by the Basel Committee on Banking Supervision and that must be applied in accordance with the relevant EU directive from 1st January 2007 onwards.

Cash flow is a financial measure that shows the unaltered surplus payments received within a given period of time and which thus constitutes an indicator of the company's solvency.

Cash flow from operating activities is the cash flow that results from the company's principal activities that have an effect on revenue, and from other activities that are not classed as investment or funding activities.

Corporate Bond is a bond that is issued by a given company.

DAX (German Share Index) is the key index of the Frankfurt Stock Exchange.

Deconsolidation designates the process whereby companies that have been included in the consolidated accounts so far are no longer included, or are included only in proportion to the level of the holding.

EBIT (Earnings before interest and taxes) corresponds to the operating performance.

EBIT margin is the EBIT in relation to sales revenue.

EBT (Earnings before taxes) designates the pre-tax result.

Equity method is a method for valuing shares in companies and it is applied to companies over which significant influence can be exerted, but which, fundamentally, do not have to be included within the group of companies that must be fully consolidated.

Equity ratio is the share of equity in the total capital employed.

Free cash flow is the funds that are actually freely available to the company emanating from surplus receipts obtained through gross revenues that are not required for the funding of normal operations or reinvestment.

ICR (Issuer Compliance Regulation; ECV = Emittenten-Compliance-Verordnung) is a regulation designed to prevent abuse of insider information.

IFRS (International Financial Reporting Standards) are international accounting standards.

Market capitalisation is the full stock market value of a company that results from the multiplication of the share price by the number of shares in issue.

Minority shares are shares held by other companies or individuals in companies that are included in the consolidated accounts.

Order balance is the total of all orders or contracts which have not been executed by the key date in question.

Pay-out ratio is the dividend proportion as a percentage, and it results as the quotient of the dividend payment of the share divided by the profit per share.

P/E ratio (Price/earnings ratio) is a measure that is frequently used in comparisons and for the valuation of shares on the capital market. The PER results as the quotient of the market value of the share divided by the profit per share.

Performance is a measure of the changes in the value of a security, e.g. the movements in the price of a share.

Private Placement is the private as opposed to public sale of assets.

Return on Sales is an operational measure that designates the relationship between profit and sales.

Risk management is the systematic identification, measuring and controlling of risks. These risks can be general business risks or specific financial risks.

ROCE (Return on capital employed) is a figure for measuring the all-in equity return, and it results from the EBIT in relation to the average equity capital employed plus net interest-bearing borrowed capital.

ROE (Return on equity) is the surplus for the year in relation to equity.

Imprint

Media proprietor

Allgemeine Baugesellschaft –
A. Porr Aktiengesellschaft
A-1103 Vienna, Absberggasse 47
Tel. +43 50 626-0, Fax -1111
zentrale@porr.at, www.porr.at

Concept and consultancy

Scholdan & Company, Vienna

Design and illustration/layout

schoeller corporate communications, Vienna/Hamburg

Photography

Michael Markl, Peter Rigaud c/o Shotview Photographers,
PORR-archives, gettyimages, IFA-Bilderteam

Further information

Allgemeine Baugesellschaft –
A. Porr Aktiengesellschaft
Öffentlichkeitsarbeit (Public Relations)
A-1103 Vienna, Absberggasse 47
renee.meisinger@porr.at

The annual financial statements for 2006, including the notes to the accounts (individual financial statement), that have been audited by the company's auditors can be obtained free of charge from the company at A-1103 Vienna, Absberggasse 47, and will be available at the AGM. In addition, the annual financial statements for 2006 may be downloaded from the website, www.porr.at. The management report that accompanies the individual financial statement is identical to the group management report.

Disclaimer

Statements relating to the future in this report are based on estimates and assumptions which are made, to the best of their current knowledge, by managerial staff. Future-related statements may be identified as such by expressions such as 'anticipated', 'target' or similar constructions. Forecasts concerning the future development of the company take the form of estimates based on information available at the time of going to press. Actual results may differ from forecast values where the assumptions on which these are based should prove incorrect or risks should develop in unforeseeable ways.

Every care has been taken in the compilation of this annual report to ensure the accuracy and completeness of information in all sections. However, round-off, typesetting and printing errors cannot be completely ruled out.

www.porr.at

Allgemeine Baugesellschaft –
A. Porr Aktiengesellschaft
A-1103 Vienna, Absberggasse 47
Tel. +43 50 626-0
Fax +43 50 626-1111
zentrale@porr.at, www.porr.at

ABAP Ref. 1004 / 05.07 / 2,6M